Fauquier County
Economic Indicators

December 31, 2014
Office of Management and Budget

I. Executive Summary

Fiscal health can be measured by a myriad of factors which provide insight to current and historical economic conditions, future projections, budget preparation, and determining needs or priorities of the community.

The data provided in this document is a means of presenting fiscal health characteristics in terms of current trends as a quick snapshot of the market today which can indicate where the market is moving or of historical trends to display the trends of the market over multiple fiscal or calendar years. Current trends provide context for the historical trends of the economic environment, its prolonged expansion or contraction of the market, and signs of change.

The information that follows was derived from various sources including federal, state, or local government and the private sector. The information collected is based on 7 key categories for both current and historical trends: businesses, community development fees and permit issuances, employment, environmental services tonnage data, residential sales and foreclosures, local revenues, and taxable sales.

Section II of the document provides a table of key observations for both current and historical economic indicators. For current economic indicators, observations are given a rating of positive, neutral, or negative based on their impact to the economic environment. Section III of the document provides overview of the economic indicator categories with various graphs. The section is divided into two sections: current and historical economic indicators.

II. Trends and Analysis

A. Current Economic Indicators

The following table displays key observations in the review of current economic indicators. The trend for each key indicator listed below is rated by one of the following symbols:

⇧ **Positive trends observed; can be an indicator of market expansion**

\- **Neutral trends observed; changes can be an indicator of decline or growth**

⇩ **Negative trends observed; can be an indicator of market contraction**

Category	Indicator	Trend	Comments
Community Development	Community development fees	-	While community development fees remain stable, they appear to have leveled off from the double-digit increases.
Community Development	Building & new residential construction permits	-	New residential construction improved in the second quarter of FY 2015, while building permits remain stable.
Employment	Unemployment rate	⇧	As of December 2014, the County's unemployment rate was 3.6%, the lowest in five years ranking 9th lowest overall in the State.
Employment	Unemployment insurance claims	-	Continued and initial unemployment claims are maintaining a declining-to-flat trend with only seasonal fluctuation.
Environmental Services	Landfill tonnage	-	Landfill tonnage remains stable.
Environmental Services	Recycling tonnage	-	Recycling tonnage for the second quarter of FY 2015 remains stable, experiencing normal seasonal fluctuation.
Local Revenue	County sales tax collections	⇧	Sales tax collections continue to experience stable growth, increasing over 12.0% YTD for the first six months of FY 2015.
Residential Housing Market	Days houses are on market	-	The average number of days houses are on the market increased slightly in the second quarter of FY 2015, similar to the entire region.
Residential Housing Market	Median sales price	⇧	Median home sales values improved slightly during the second quarter of FY 2015, similar to the entire region.
Residential Housing Market	Foreclosures and short sale listings	-	Foreclosure listings and short sale listings continue to decline or remain flat.
Residential Housing Market	Number of homes sold	-	The number of home sales experienced normal seasonal fluctuation in first six months of FY 2015, slowing slightly, while the rest of the region improved slightly.

B. Historic Economic Indicators

The following table displays trends and observations relative to historic economic indicators and how those observations may impact current economic indicators.

Category	Indicator	Trend	Comments
Businesses	Number of new licenses issued	⇩	The number of new licenses issued for businesses in FY 2014 declined 11% from FY 2013, continuing to show yearly fluctuation.
Businesses	Number of startup firms	-	Significant seasonal fluctuation remains regarding the estimated number of start-up firms, and will continue to be monitored over time.
Residential Housing Market	Foreclosures by loan type	-	For the first two quarters of FY 2015, the number of owner-occupied prime loans in foreclosure and owner-occupied subprime loans in foreclosure continue to decline in the County.
Taxable Sales	Taxable sales	⇧	Taxable sales continue to improve year-over-year, with seasonal fluctuation, particularly in key areas of sales including merchant wholesalers-durable goods and food and beverage stores.

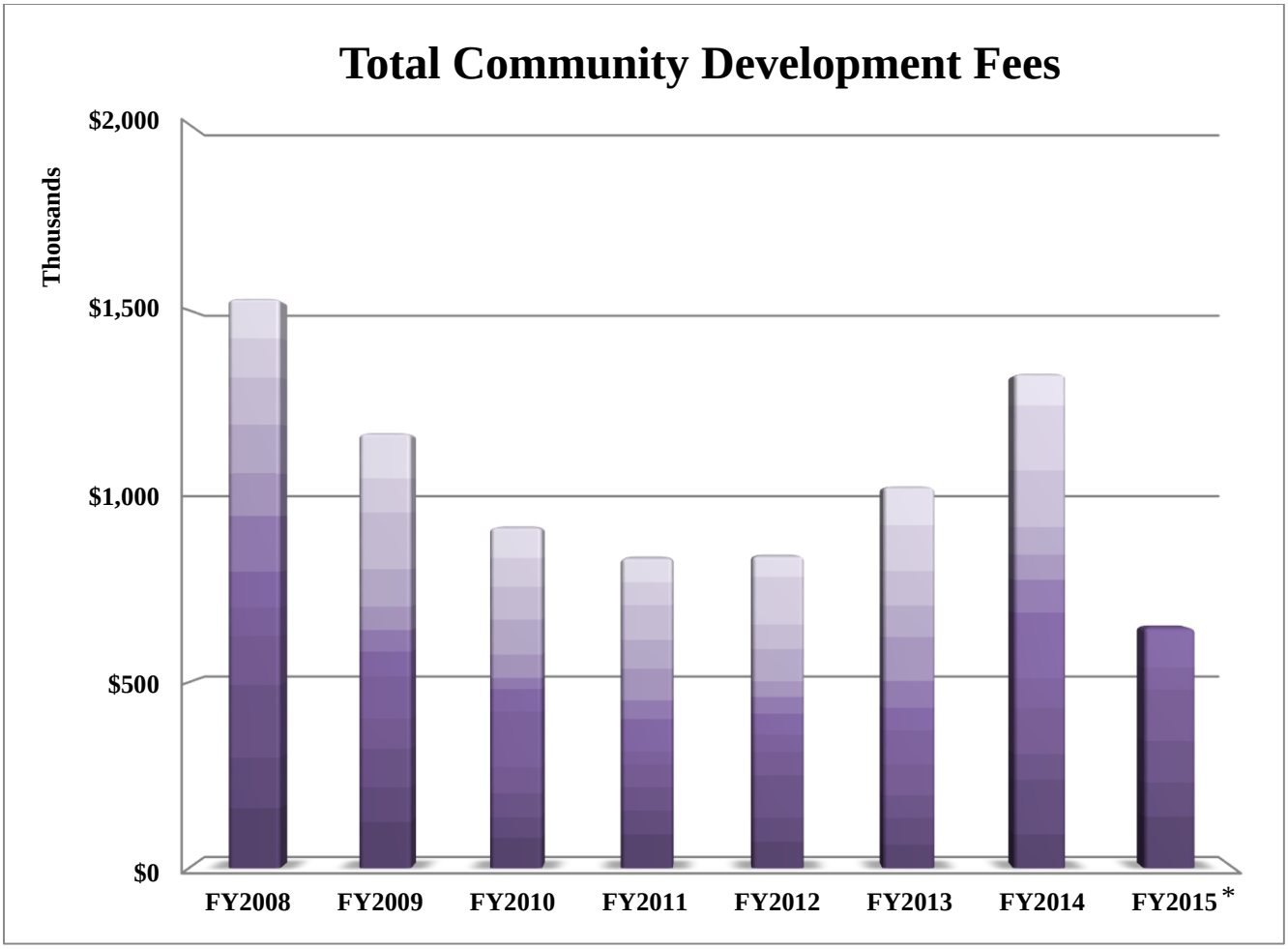
III. Economic Indicators – Data

A. Current Economic Indicators Data

1. Community Development

a) Community Development Fees

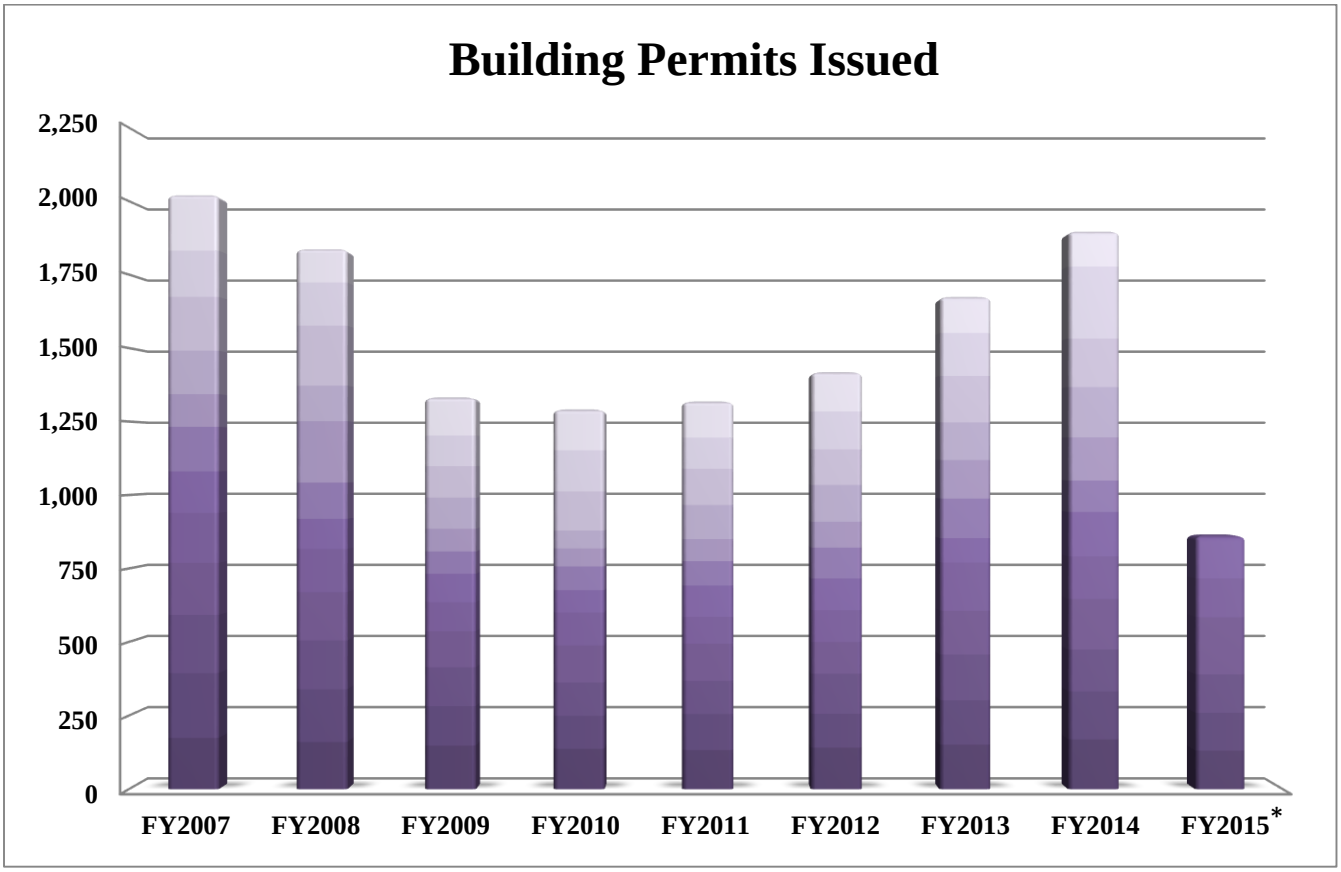
Community Development Fee revenue decreased 5.7% year to date. In the second quarter of FY 2015, Community Development Fee revenue experienced a 19.6% decrease compared to the same period of the prior fiscal year, partly attributable to seasonal fluctuation. Community Development Fee revenue collections will continue to be monitored to determine whether the rate of growth is leveling off.



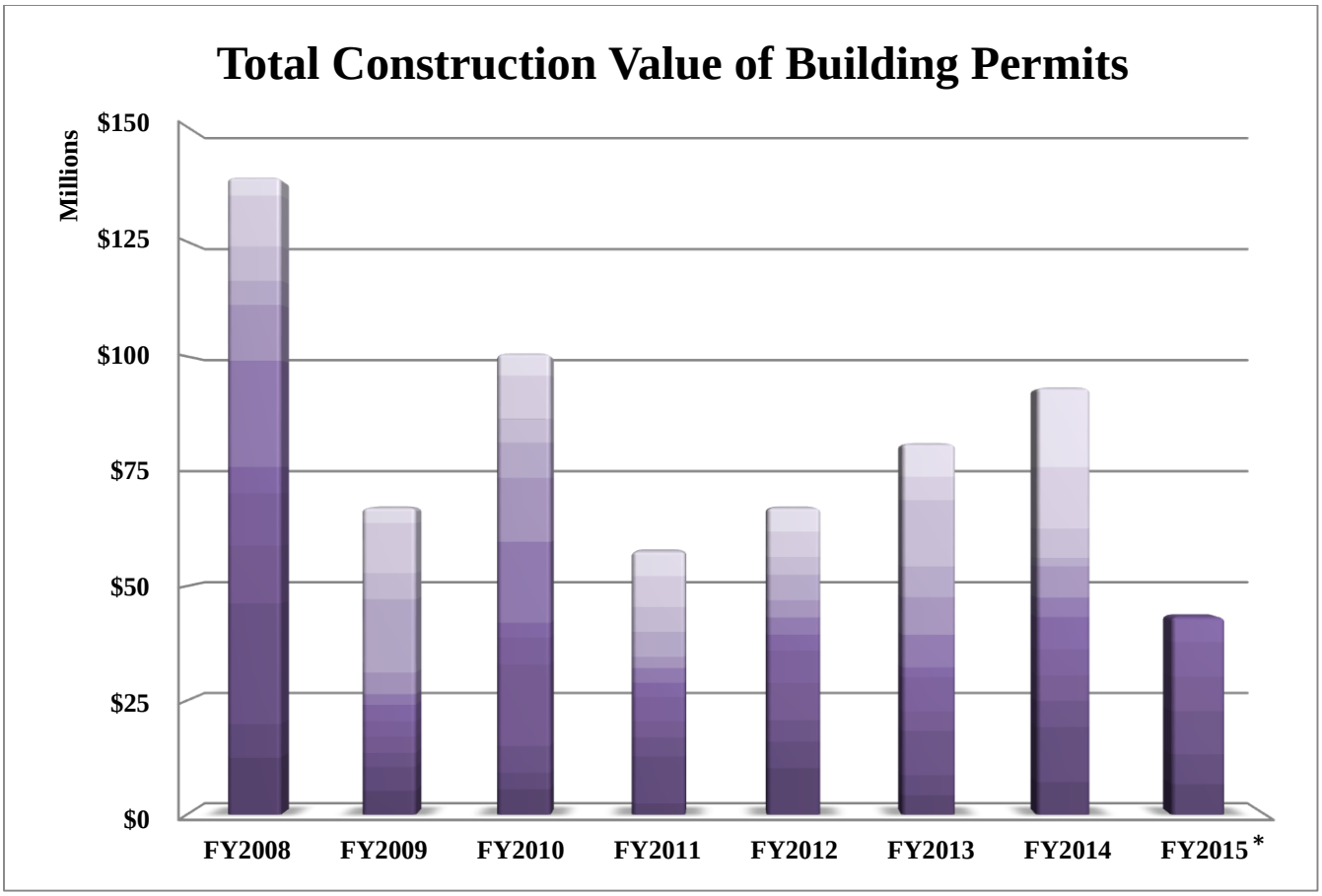
Source: Community Development. *FY 2015 Data includes data as December 31, 2014.

b) Building Permits

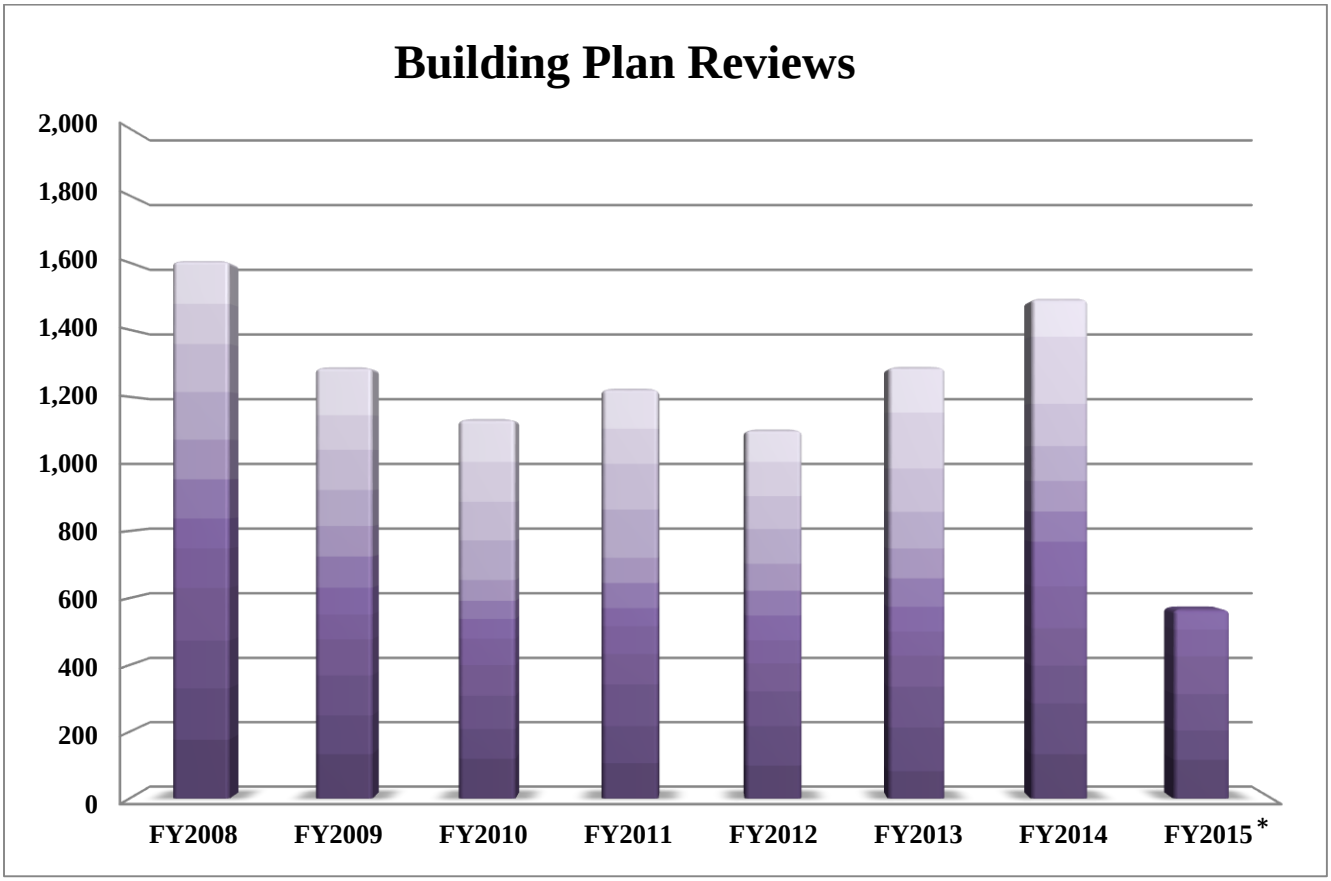
While growth in the first quarter slowed, in the second quarter of FY 2015, building permits increased by 1% over the same period of the prior fiscal year. In addition, new residential construction permits increased by 17.8%.



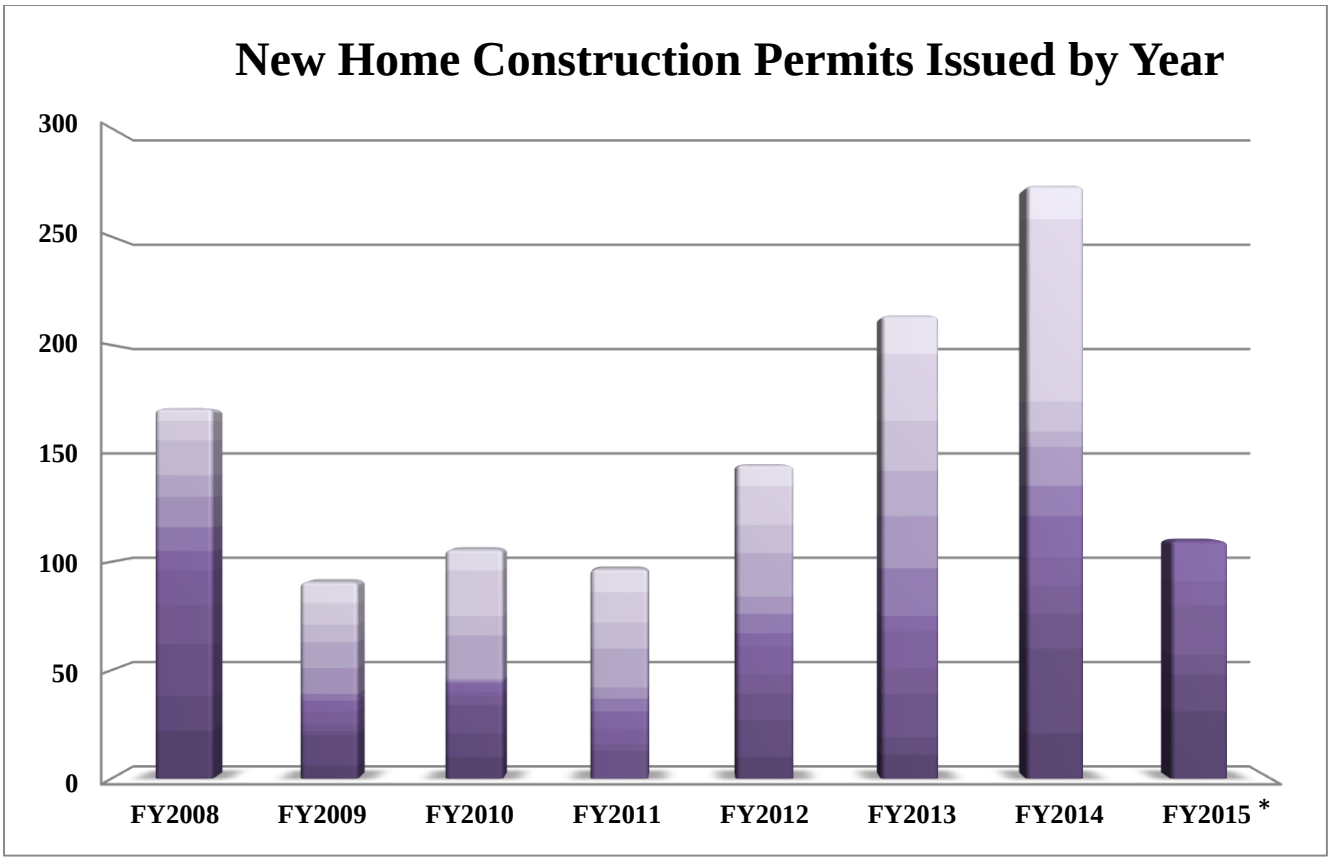
*FY 2015 Data includes data as of December 31, 2014.



*FY 2015 Data includes data as of December31, 2014.



*FY 2015 Data includes data as of December 31, 2014.

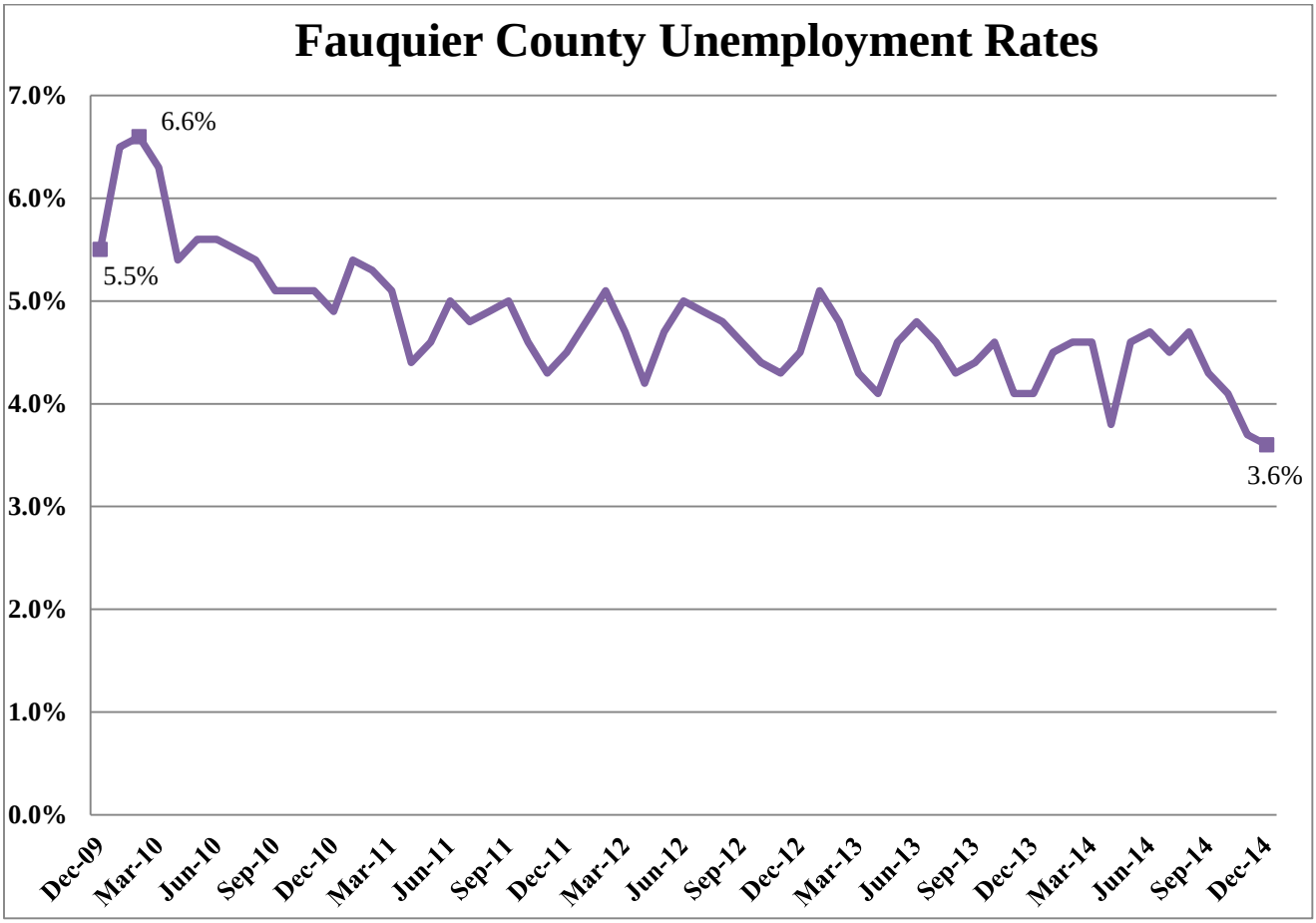


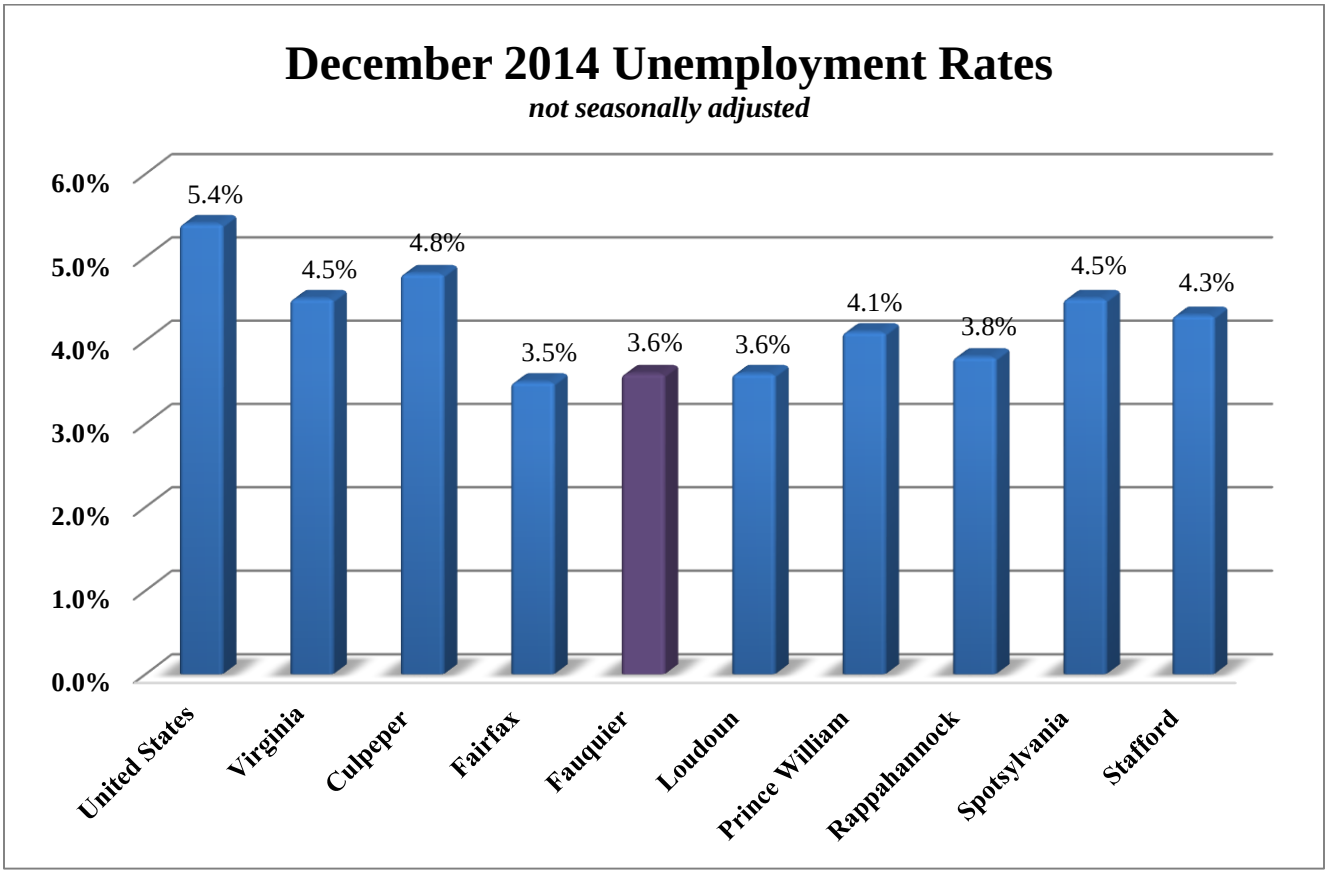
Source: Community Development: *FY 2015 Data includes data as of December 31, 2014.

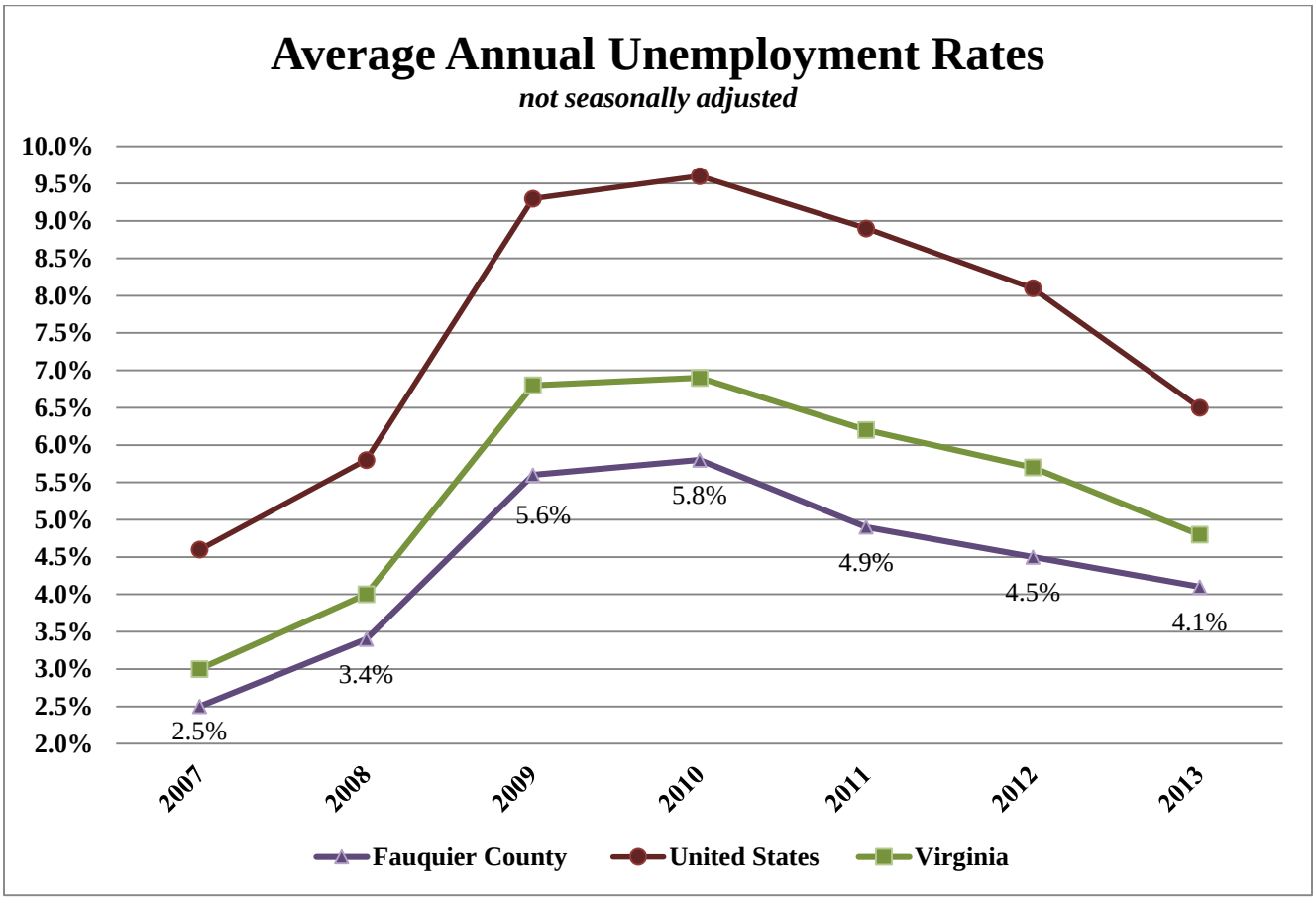
2. Employment

a) Unemployment Rates

The Fauquier County unemployment rate remains on a slow decline, reaching its lowest rate in over five years. In comparison to other local jurisdictions, Fauquier County's December 2014 unemployment rate of 3.6% trails Madison and Fairfax; and is ahead of Rappahannock, Prince William, Stafford, Spotsylvania, and Culpeper. Overall for the Commonwealth, Fauquier County ranked 9th, behind Falls Church City, Arlington, Fairfax City, Fairfax, and Fluvanna, and equal to Loudoun.



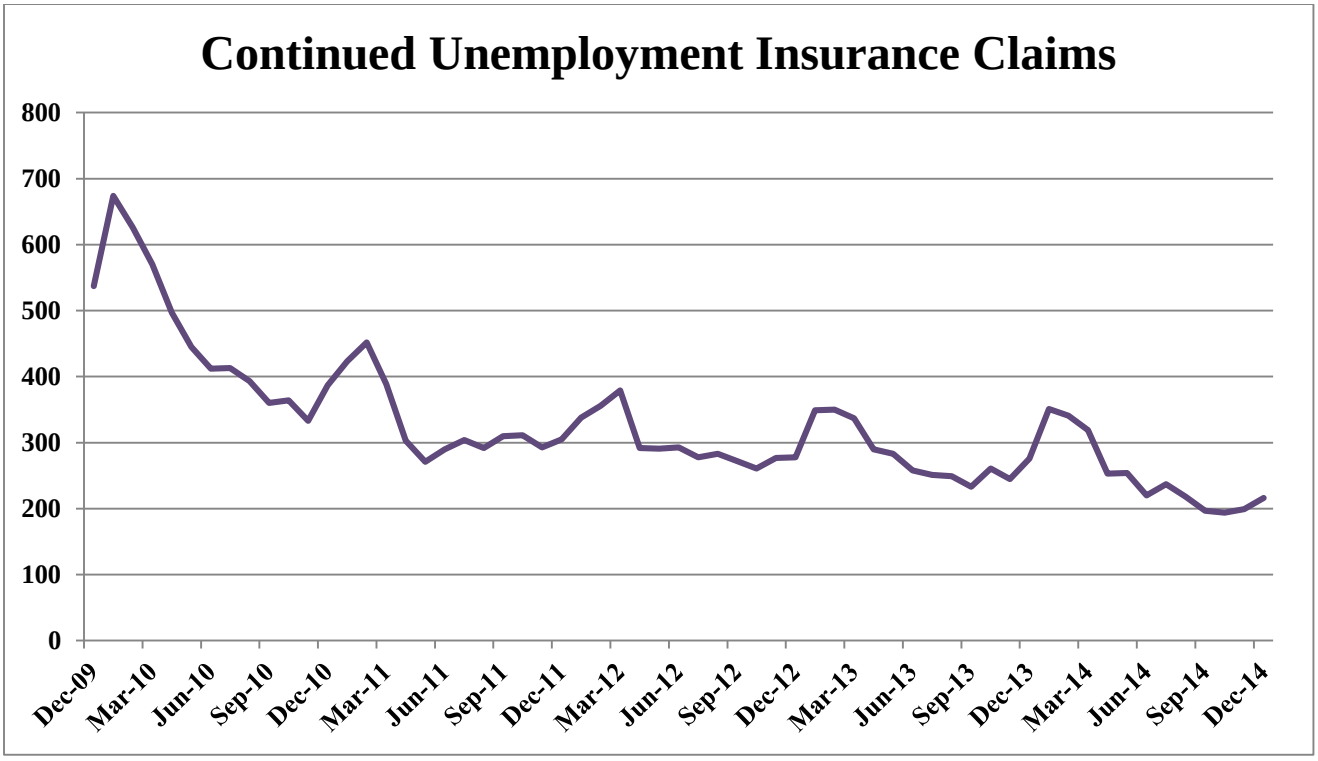


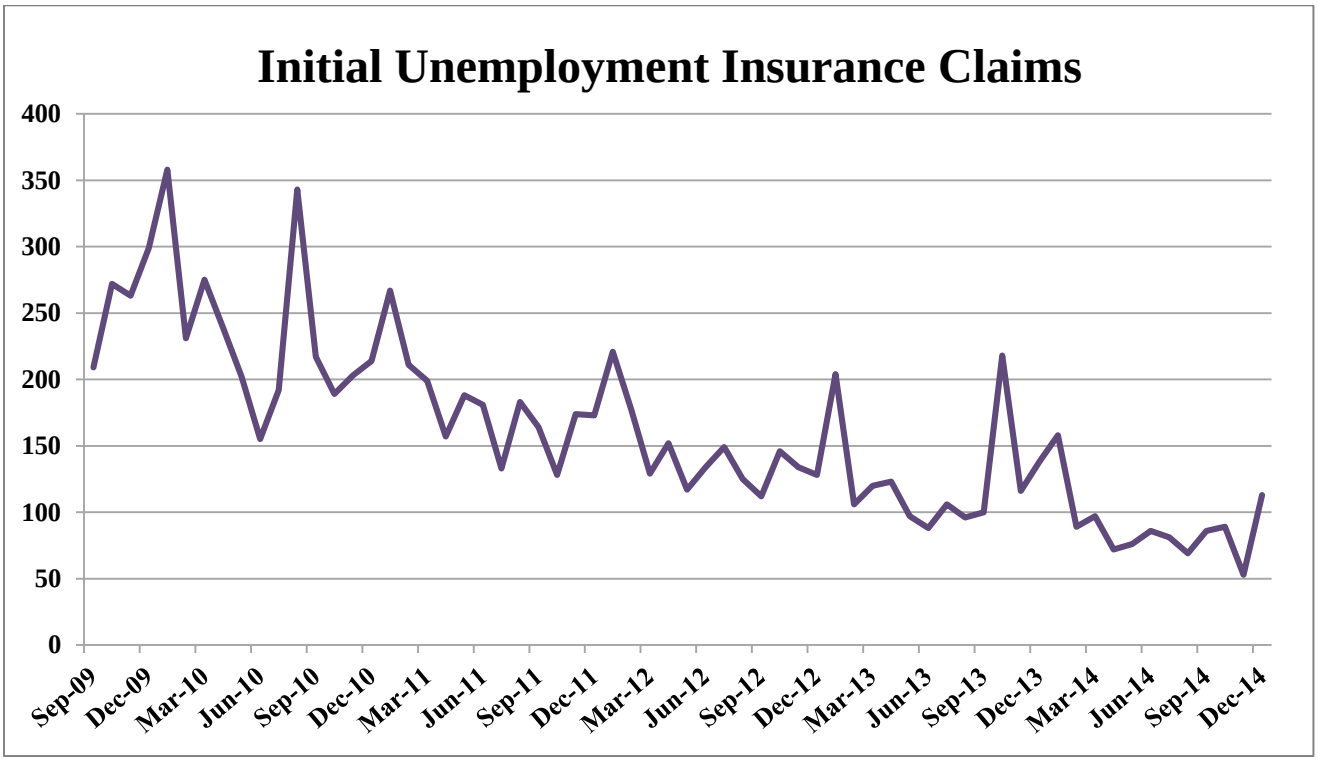


Source: Virginia Employment Commission

b) Unemployment Insurance Claims

Continued unemployment insurance claims remain relatively flat in the second quarter of FY 2015. Initial unemployment claims have increased in the last quarter, a normal seasonal fluctuation.

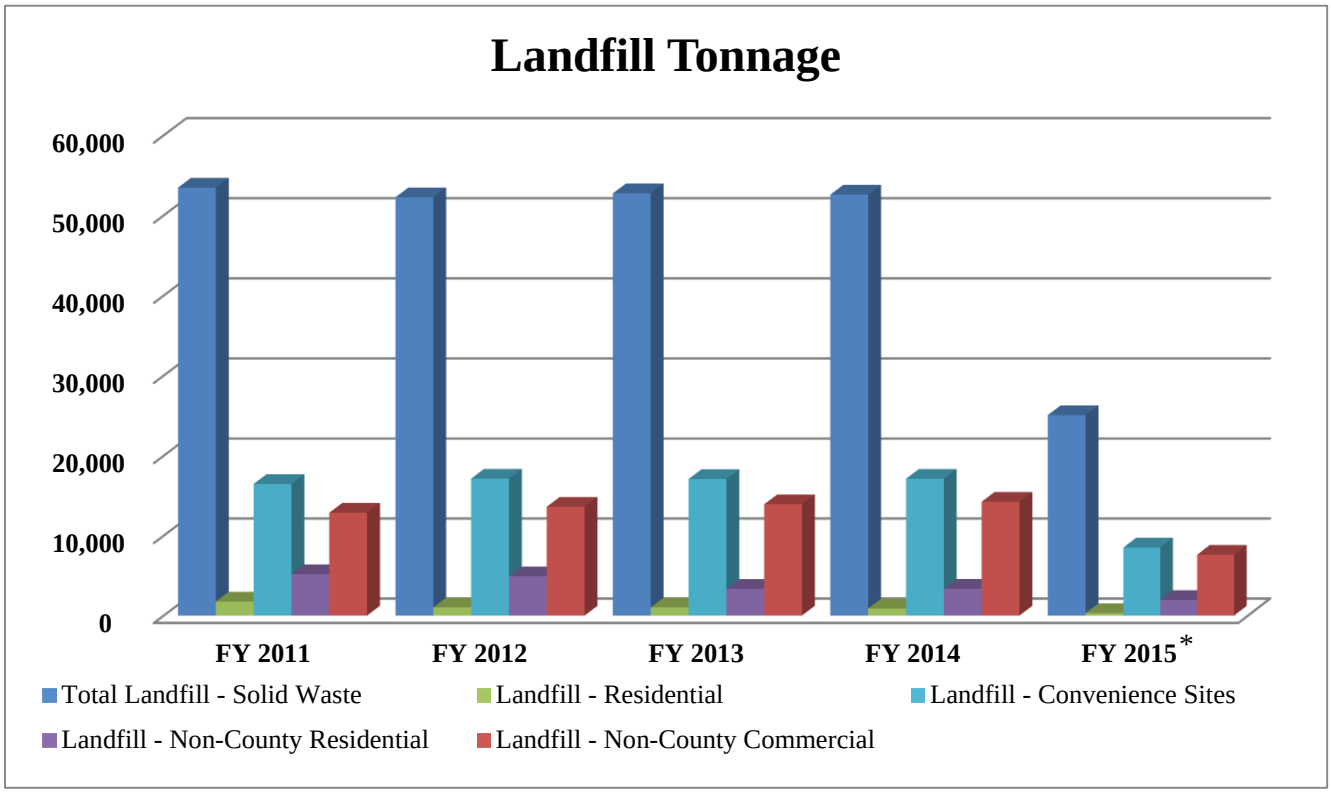




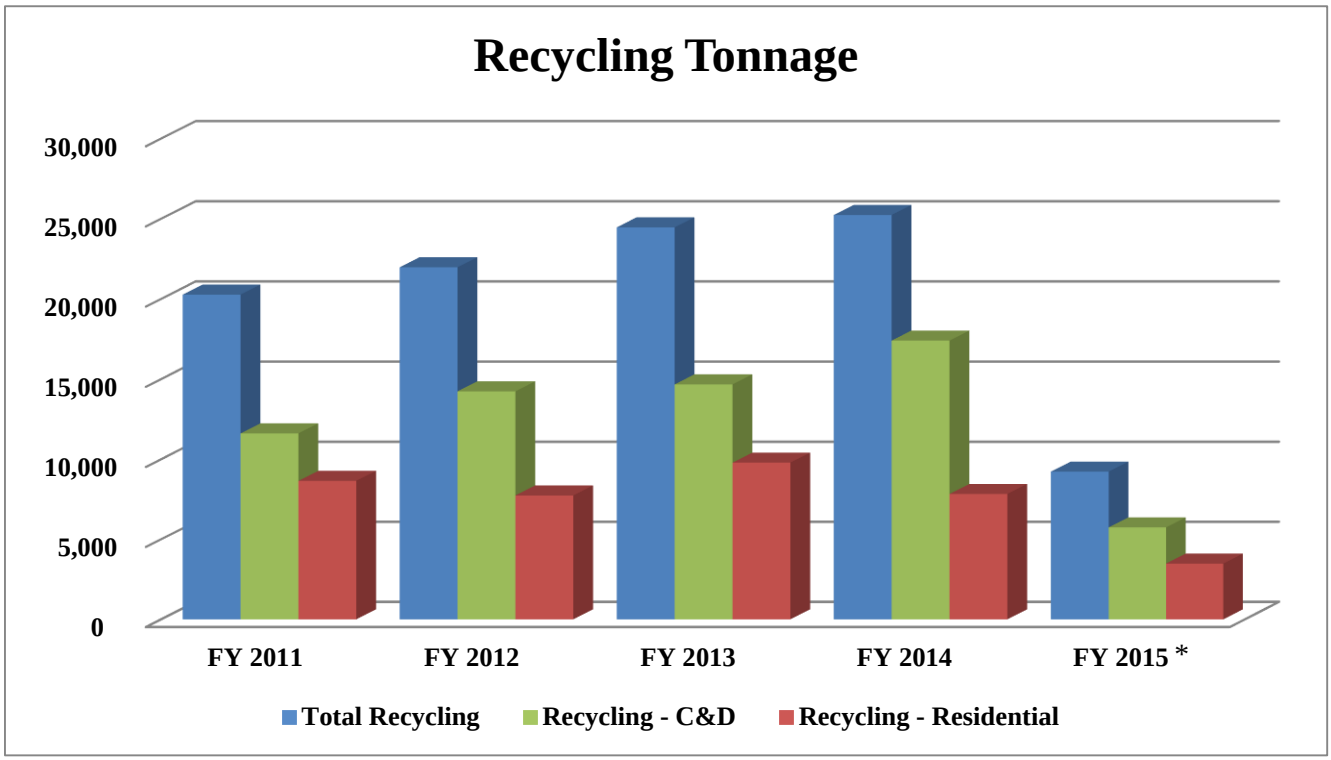
Source: Virginia Employment Commission

3. Environmental Services

Overall, landfill and recycling tonnage remains stable for the first six months of FY 2015. Construction and demolition recycling tonnage has slowed, coupled with slower permitting activity in the first half of FY 2015 in the County and the region.



Source: Environmental Services. *FY 2015 Data includes data as of December 31, 2014.



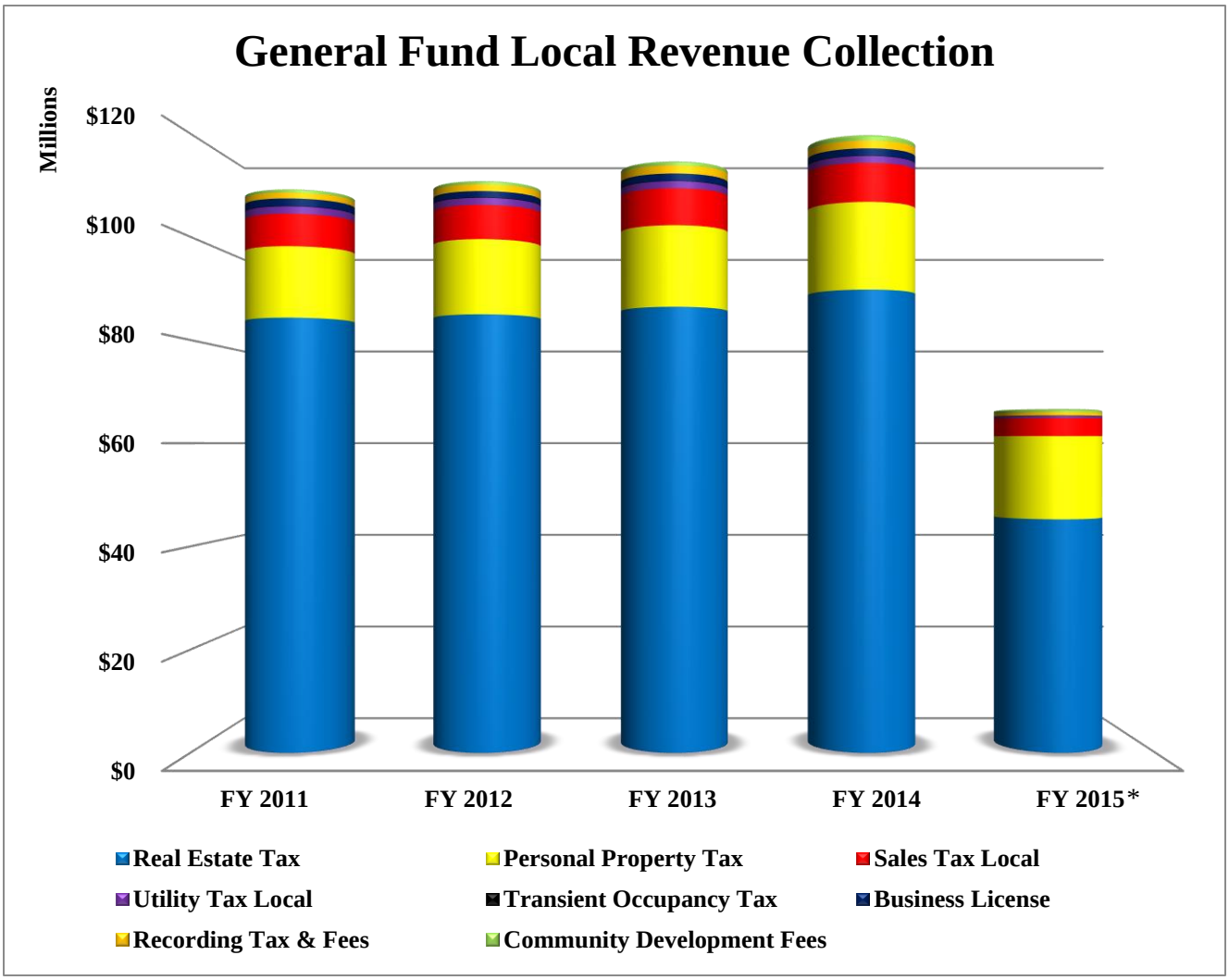
Source: Environmental Services. *FY 2015 Data includes data as of December 31, 2014.

4. Local Revenues

The following graphs display key General Fund local revenue sources. Local revenue sources observed are real estate tax, personal property tax, sales taxes, utility tax, recording tax and fees, business and other professional licensing tax and fees, and transient occupancy tax revenue.

a) General Fund local revenue collection

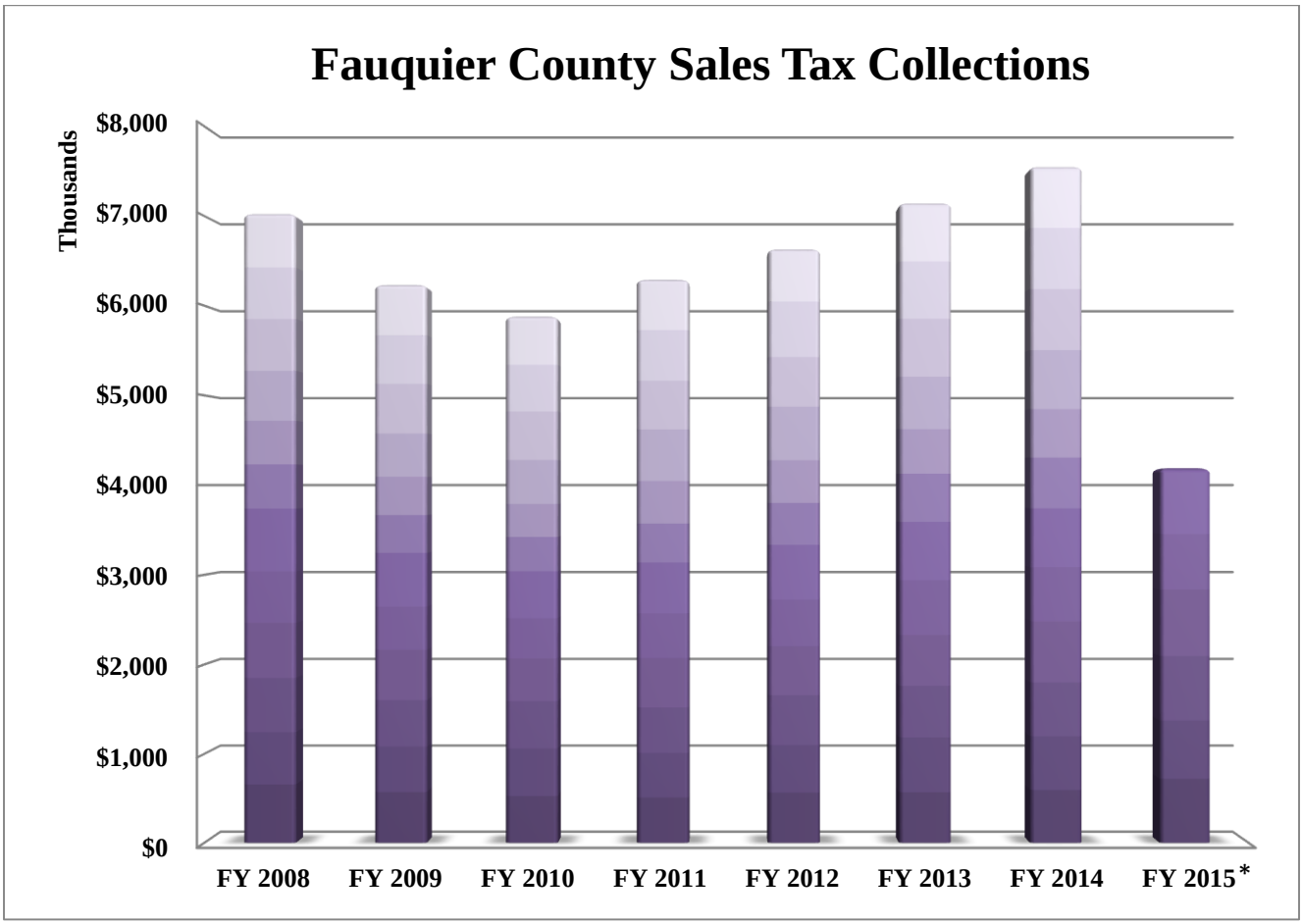
General Fund local revenues for the first six months of FY 2015 continues to show growth in real estate, sales tax and personal property tax. Community development fees revenue, however, has leveled off while still pacing the prior year revenue.



*FY 2015 Data includes data as of December 31, 2014

b) Sales Tax Revenue

Monthly sales tax collections continue to experience stable growth during the first six months of FY 2015. Sales tax collections increased 12.3% over the same period of the prior fiscal year, marking FY 2015 to be the first year to trend above collection rates of those since the downturn.



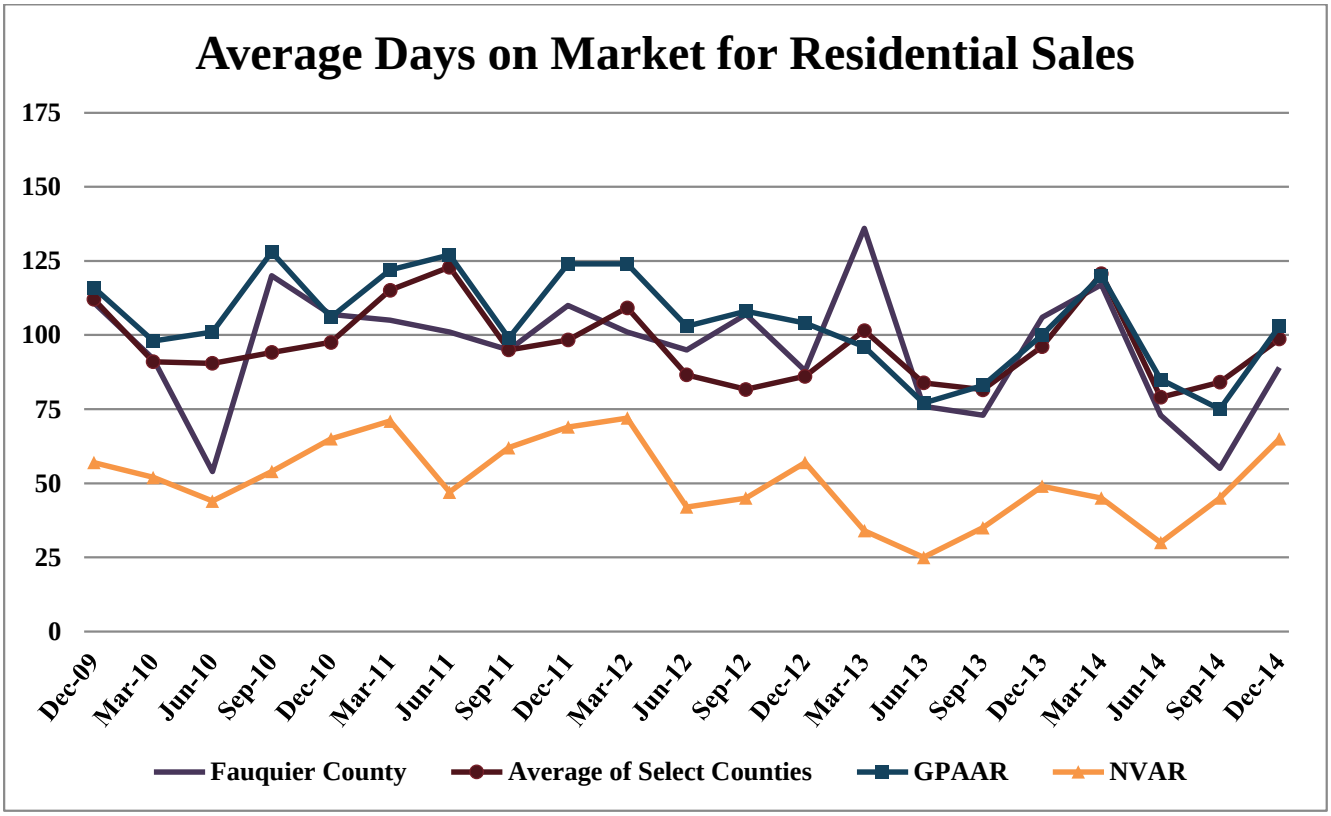
*FY 2015 Data includes data as of December 31, 2014.

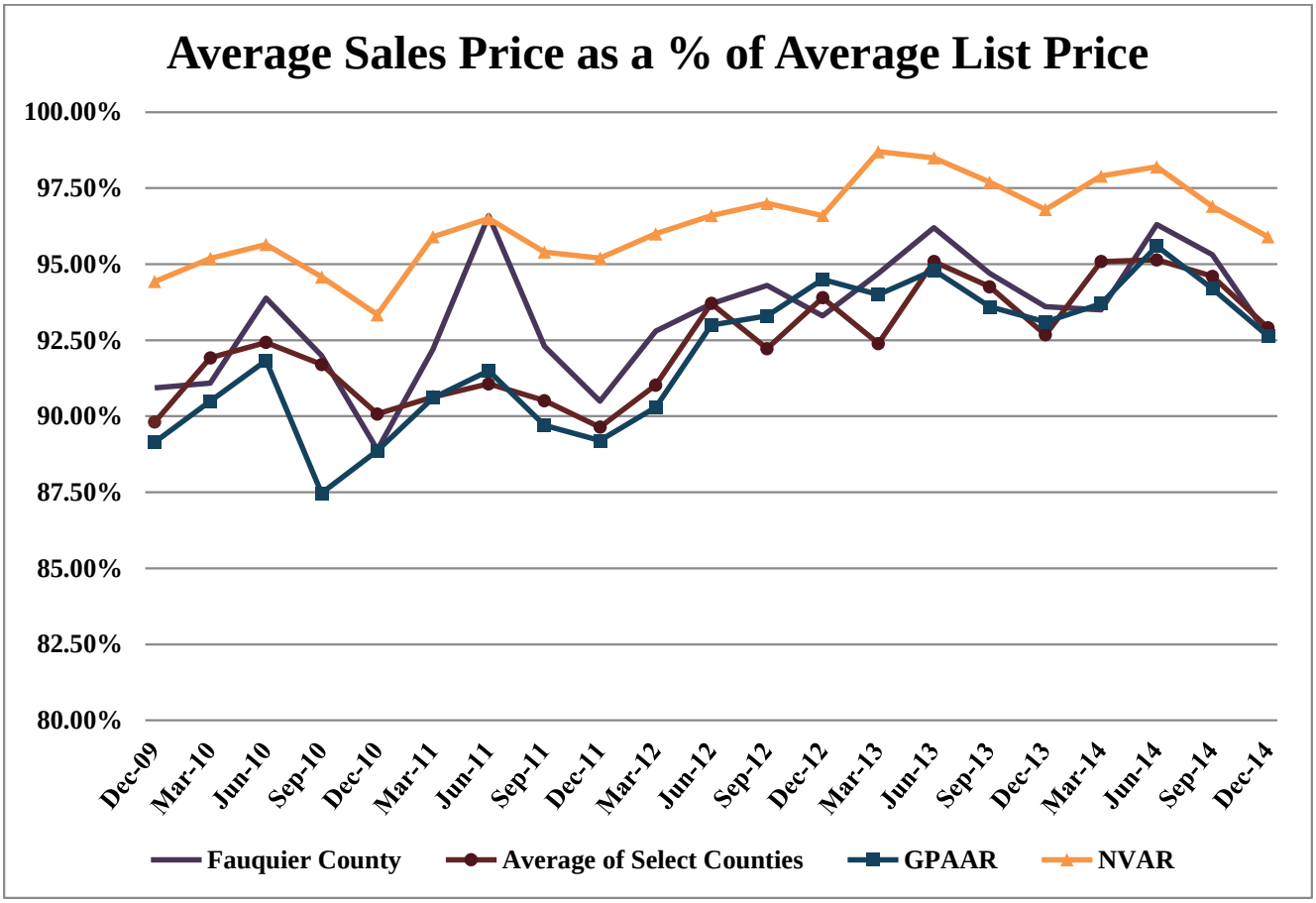
5. Residential Housing Market – Current Data

The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an Average of select counties. The Greater Piedmont Area Association of Realtors (GPAAR) is composed of the following counties: Fauquier, Culpeper, Orange, Madison, and Rappahannock. The Northern Virginia Association of Realtors (NVAR) is composed of the following counties or cities: Fairfax County, City of Fairfax, Arlington County, City of Alexandria, and City of Falls Church. The selected counties for purposes of averaging include Fauquier, Culpeper, Orange, Madison, Fairfax, Loudoun, Prince William, Rappahannock, and Spotsylvania.

a) Residential Sales

The County's housing market has been stable over the last 12 months, with only normal seasonal fluctuation. During the winter months, median sales price has improved slightly and average days on market has increased, while all other areas of residential sales have remained stable, similar to the entire region.




Average Sales Price as a % of Average List Price
100.00%
97.50%
95.00%
92.50%
90.00%
87.50%
85.00%
82.50%
80.00%
Dec-09
Mar-10
Jun-10
Sep-10
Dec-10
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Jun-12
Sep-12
Dec-12
Mar-13
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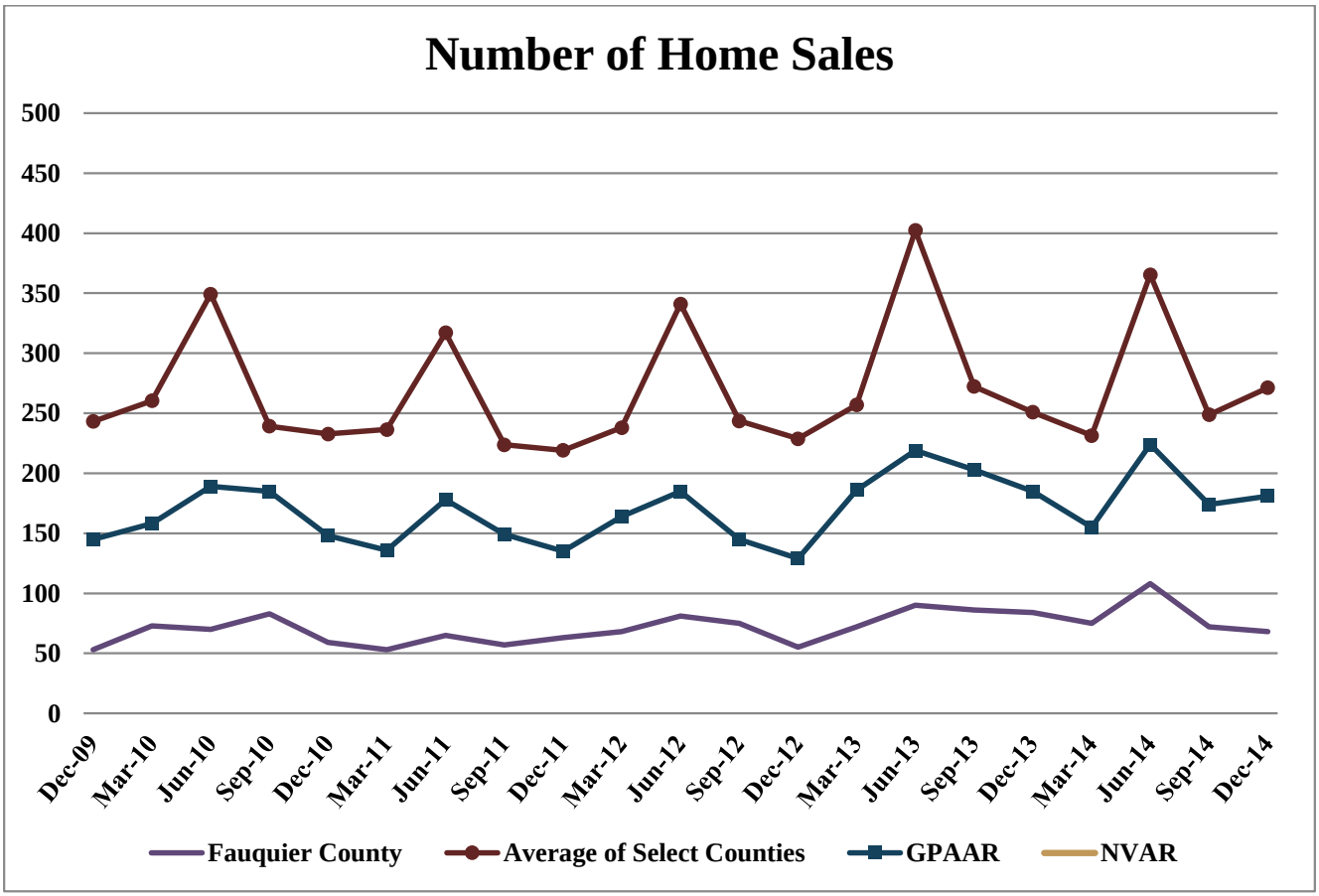
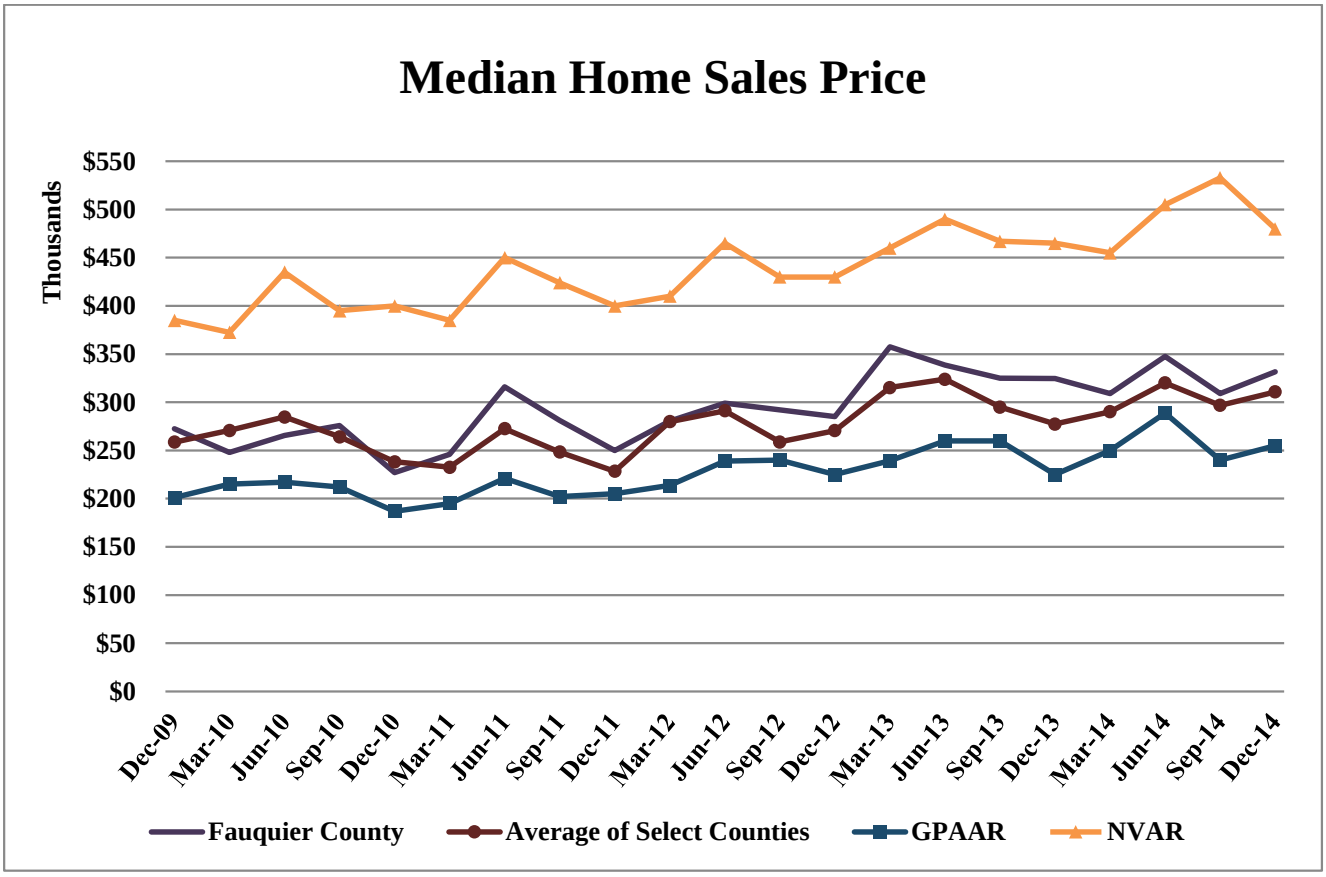
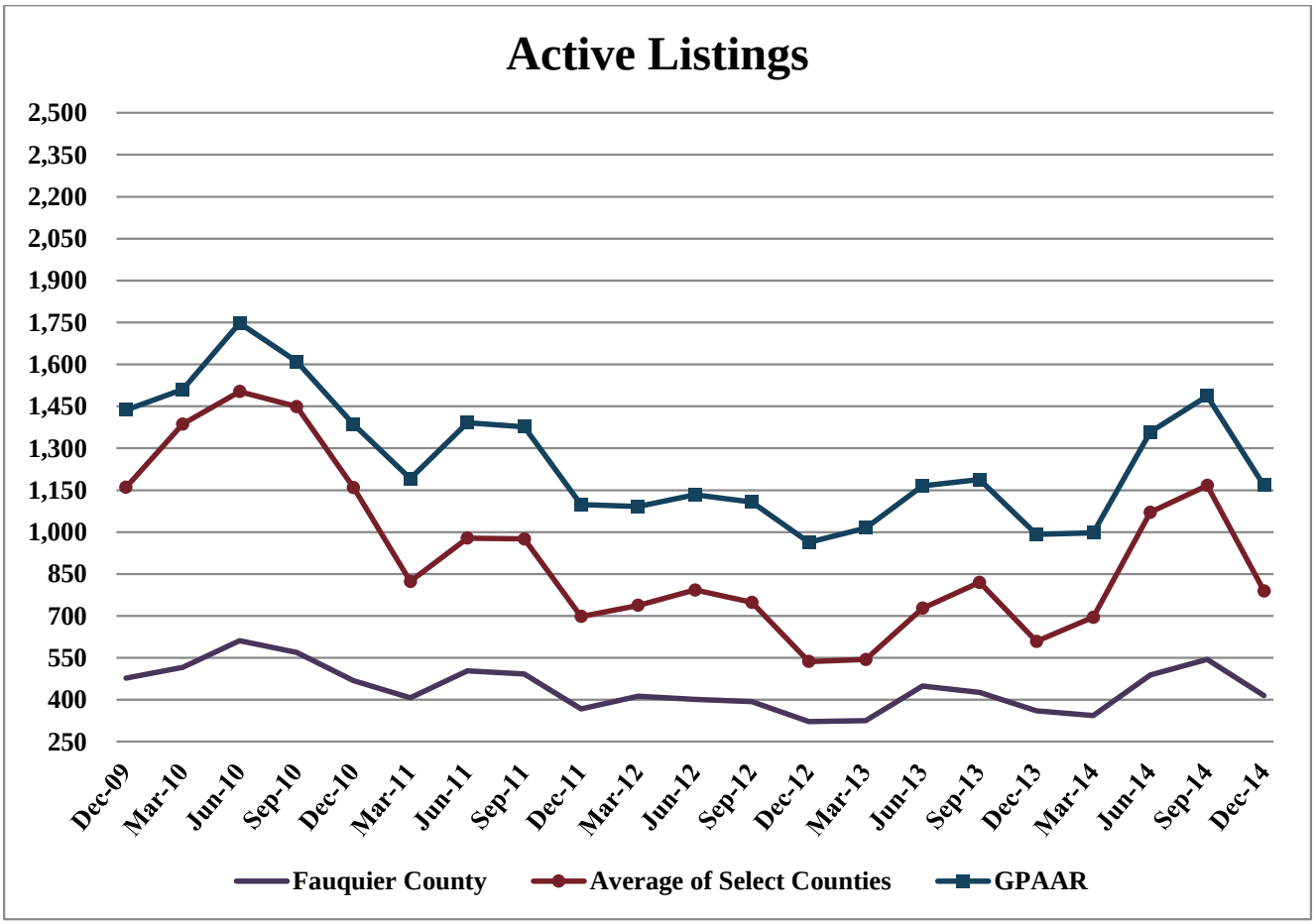
Fauquier County
Average of Select Counties
GPAAR
NVAR


Number of Home Sales
500
450
400
350
300
250
200
150
100
50
0
Dec-09
Mar-10
Jun-10
Sep-10
Dec-10
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Jun-12
Sep-12
Dec-12
Mar-13
Jun-13
Sep-13
Dec-13
Mar-14
Jun-14
Sep-14
Dec-14
Fauquier County
Average of Select Counties
GPAAR
NVAR

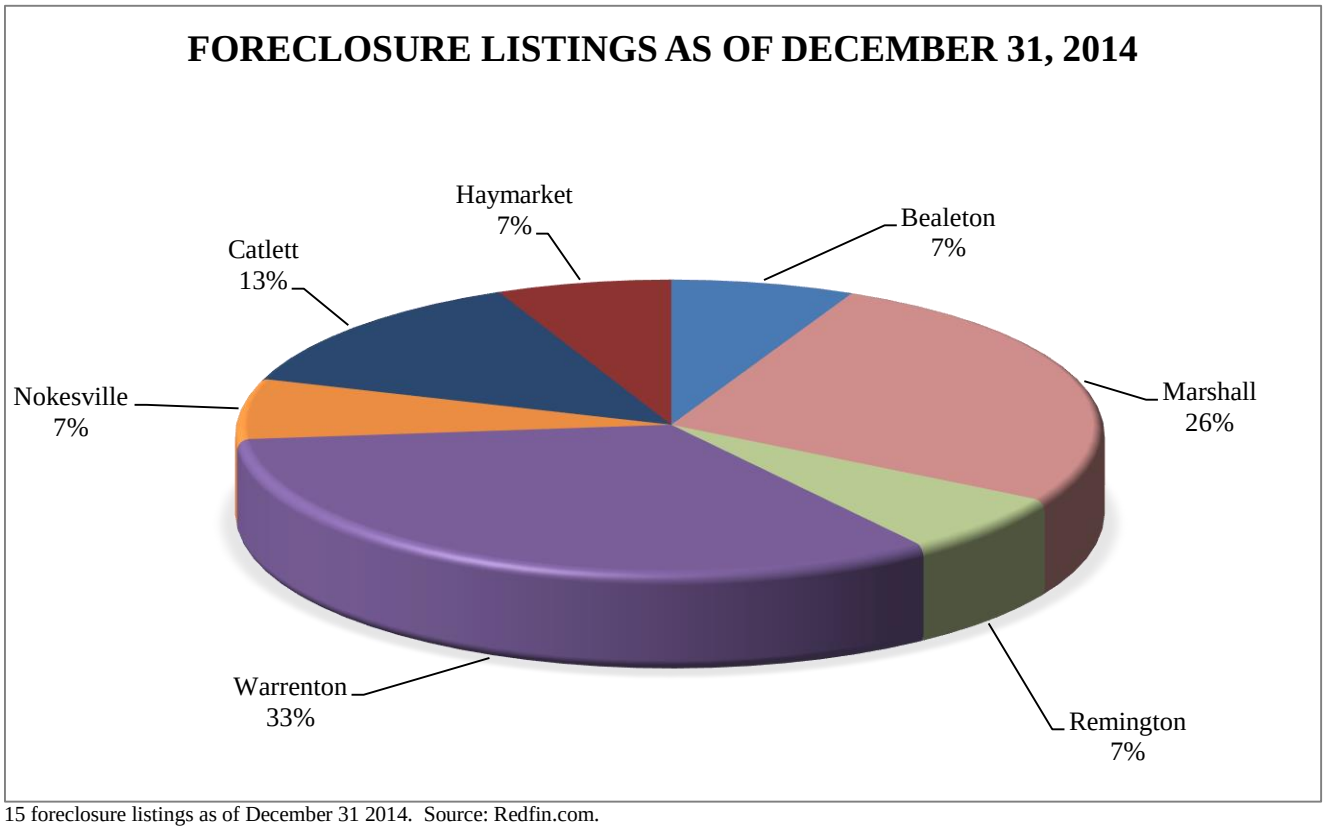




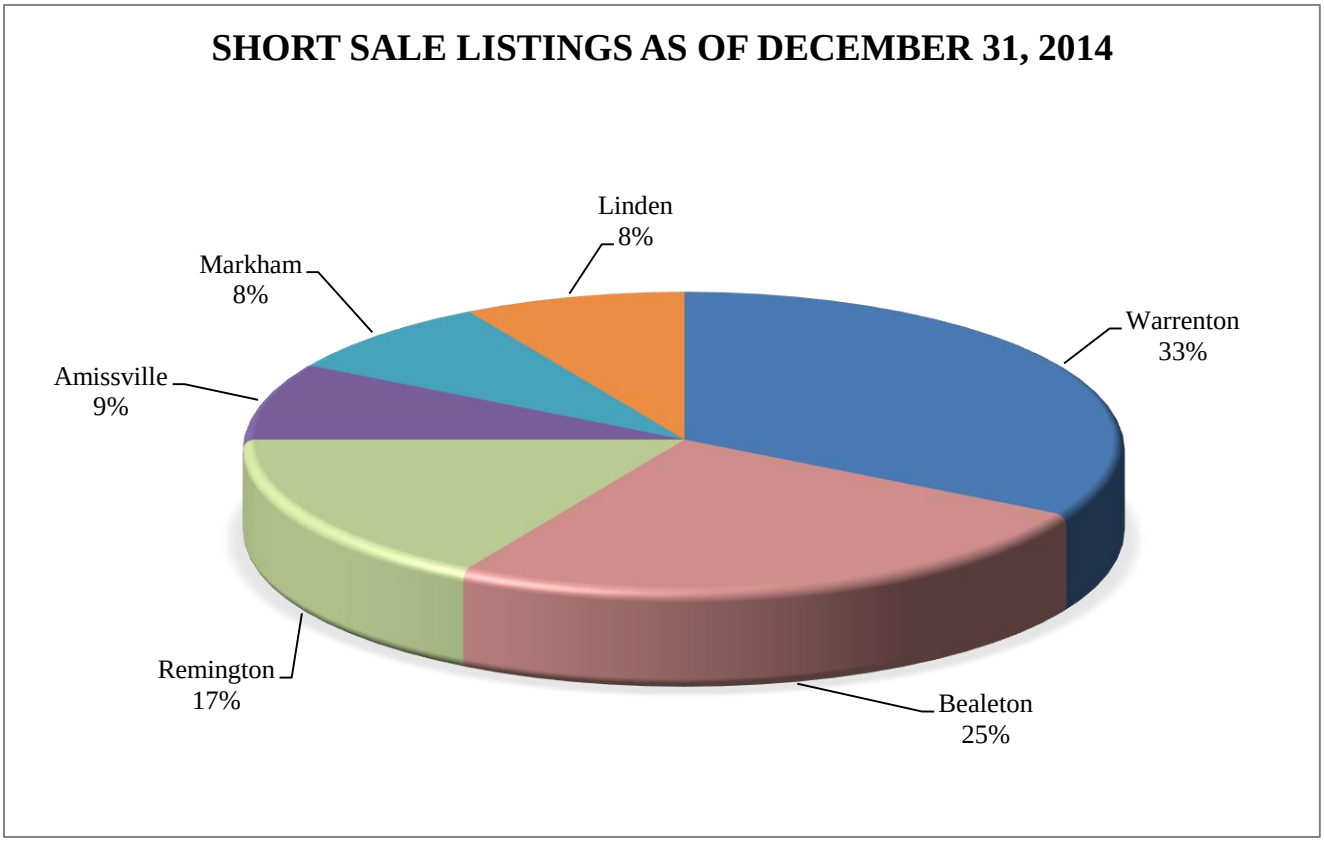
Source: Metropolitan Regional Information Systems, Inc. (MRIS)

b) Foreclosures and Short Sales

Foreclosure listings and short sale listings continue to be limited in the volume of inventory.



15 foreclosure listings as of December 31 2014. Source: Redfin.com.

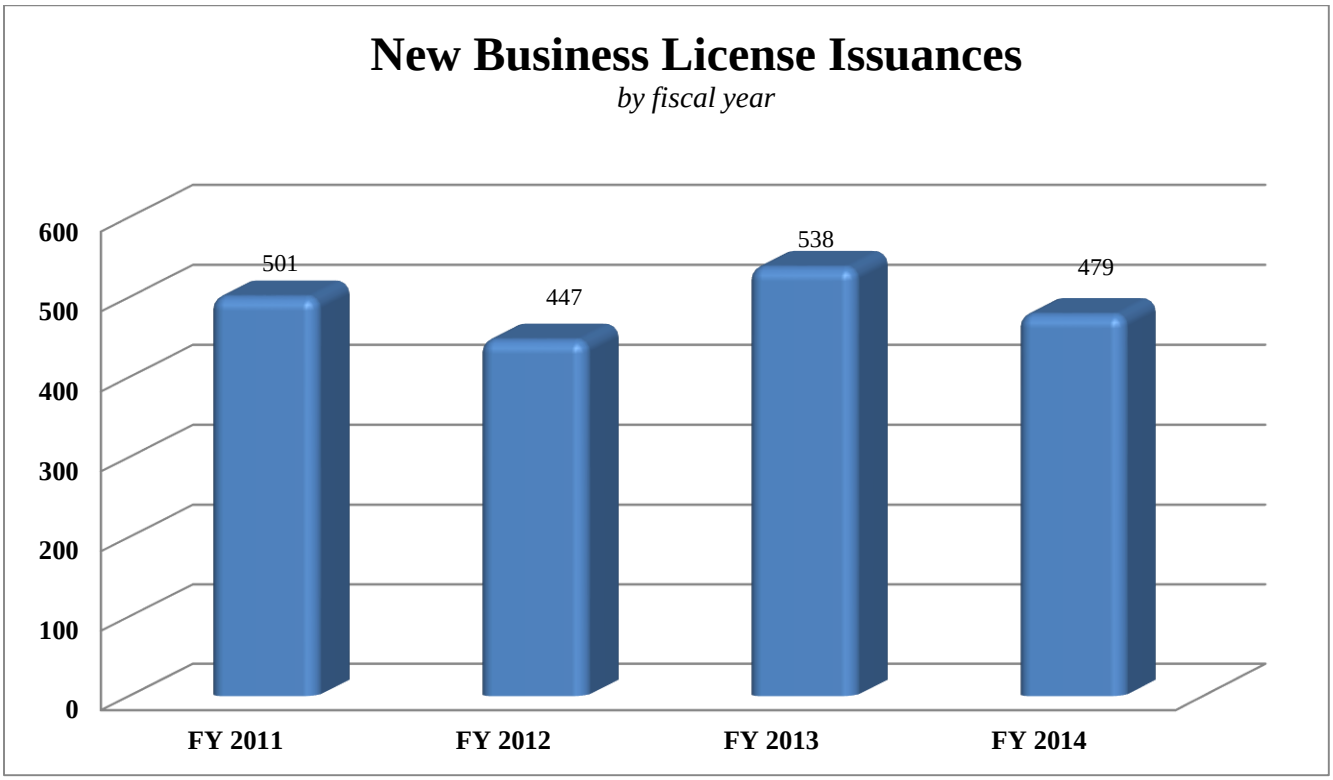


12 short sale listings as of December 31, 2014. Source: Redfin.com.

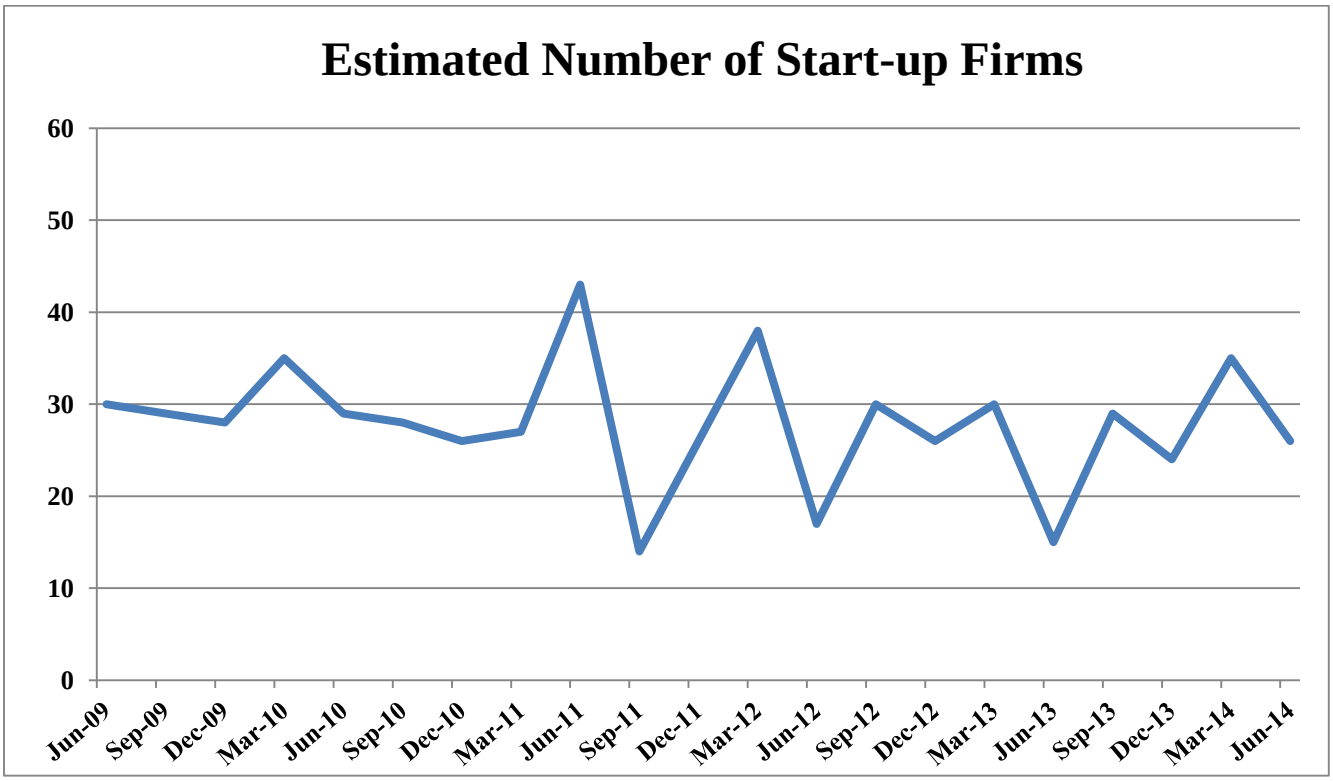
B. Historical Economic Indicators Data

1. Businesses

The number of new licenses issued for businesses continues to fluctuate year over year, declining 11% in FY 2014 compared to FY 2013. FY 2013 showed marked improvement of 20.4% compared to FY 2012.



Source: Commissioner of the Revenue



Source: Virginia Employment Commission

2. Residential Housing Market – Historical Data

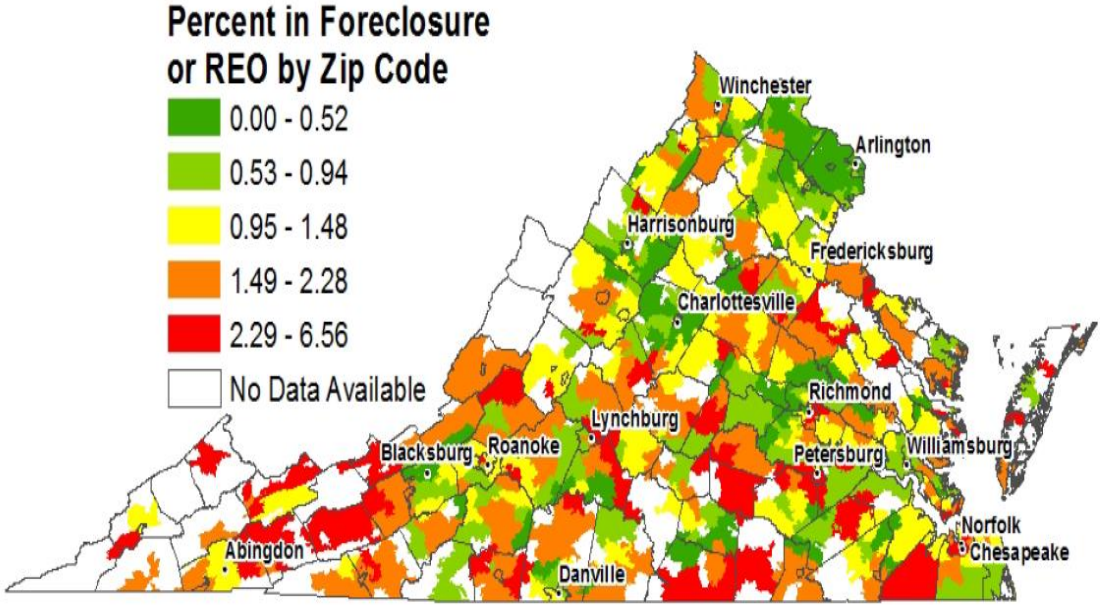
a) Residential Foreclosures and Delinquencies

The following five graphs are prepared by the Federal Reserve Bank of Richmond as part of their quarterly mortgage performance summaries for the Commonwealth of Virginia display:

- Percentage of foreclosures or REO for owner-occupied mortgages – prime loans;
- Percentage of delinquencies for owner-occupied mortgages – prime loans;
- Percentage of foreclosures or REO for owner-occupied mortgages – subprime loans;
- Percentage of delinquencies for owner-occupied mortgages – subprime loans; and
- Percentage of owner-occupied mortgages with subprime loans.

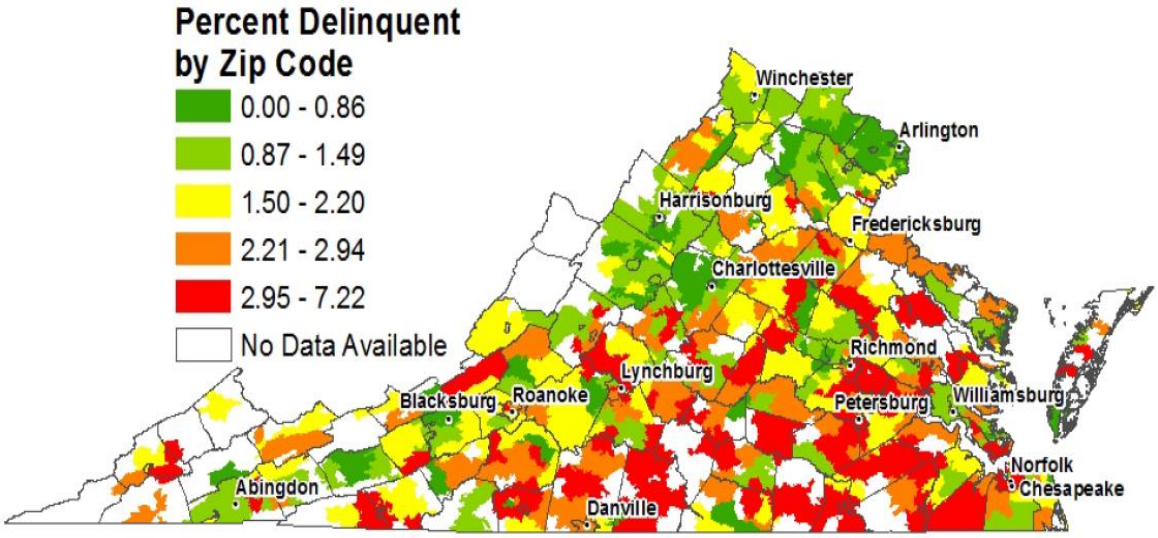
As of September 2014, foreclosures in the County continued to improve for prime and subprime loans. Additionally, the volume of owner-occupied home mortgages with subprime loans continued to lessen throughout the County.

Percentage of Owner-Occupied Prime Loans in Foreclosure or REO : Virginia



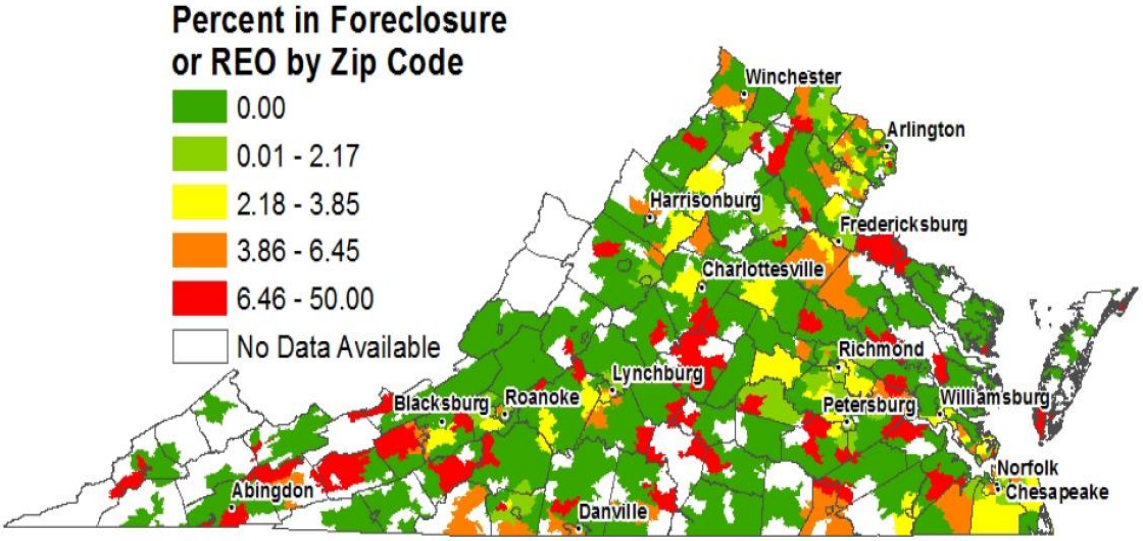
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (September 2014)

Percentage of Owner-Occupied Prime Loans with 90+ Day Delinquency: Virginia



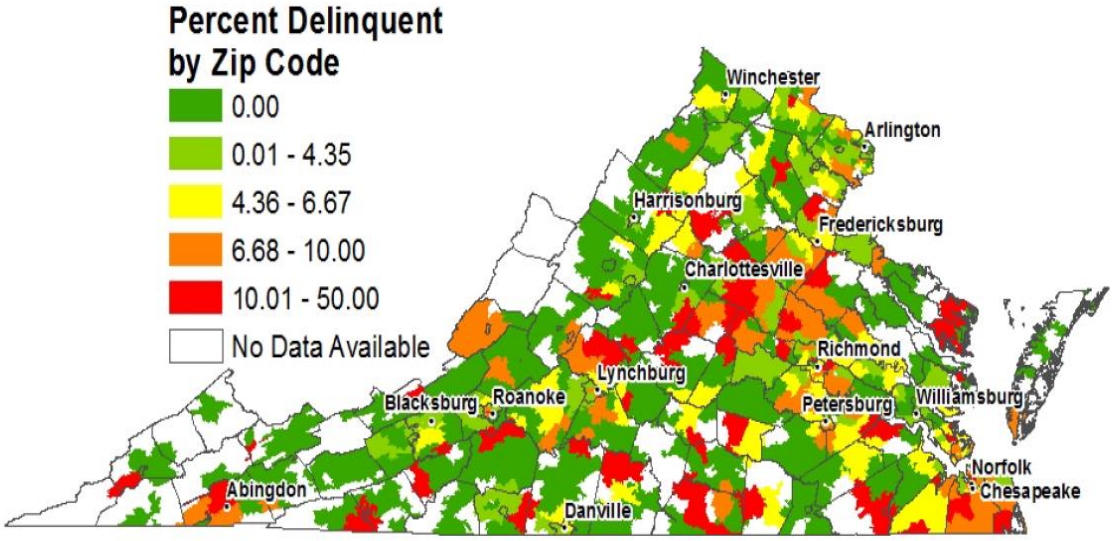
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (September 2014)

Percentage of Owner-Occupied Subprime Loans in Foreclosure or REO: Virginia



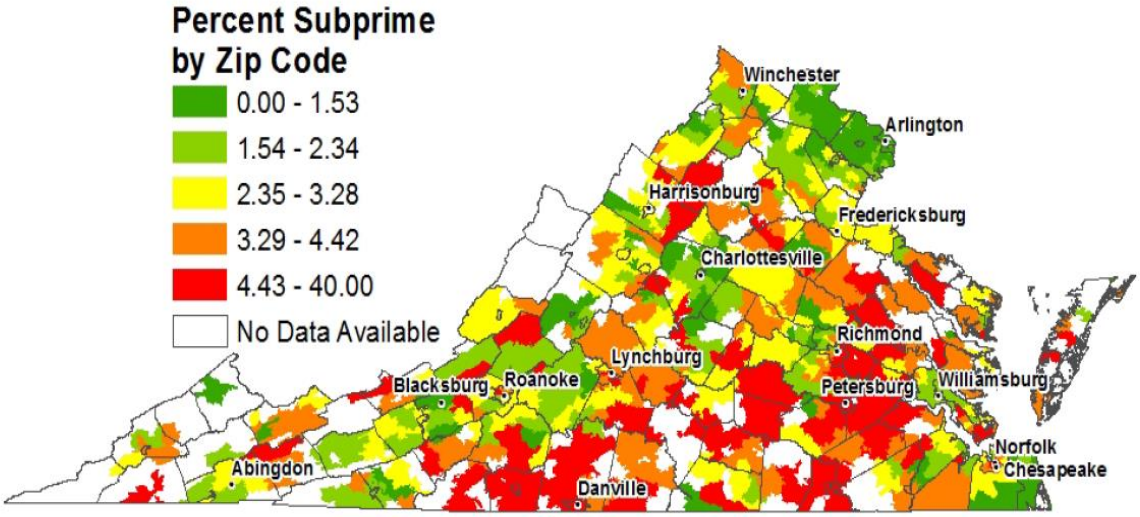
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (September 2014)

Percentage of Owner-Occupied Subprime Loans with 90+ Day Delinquency: Virginia



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or no data available.
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (September 2014)

Percentage of Owner-Occupied Mortgages with Subprime Loans: Virginia



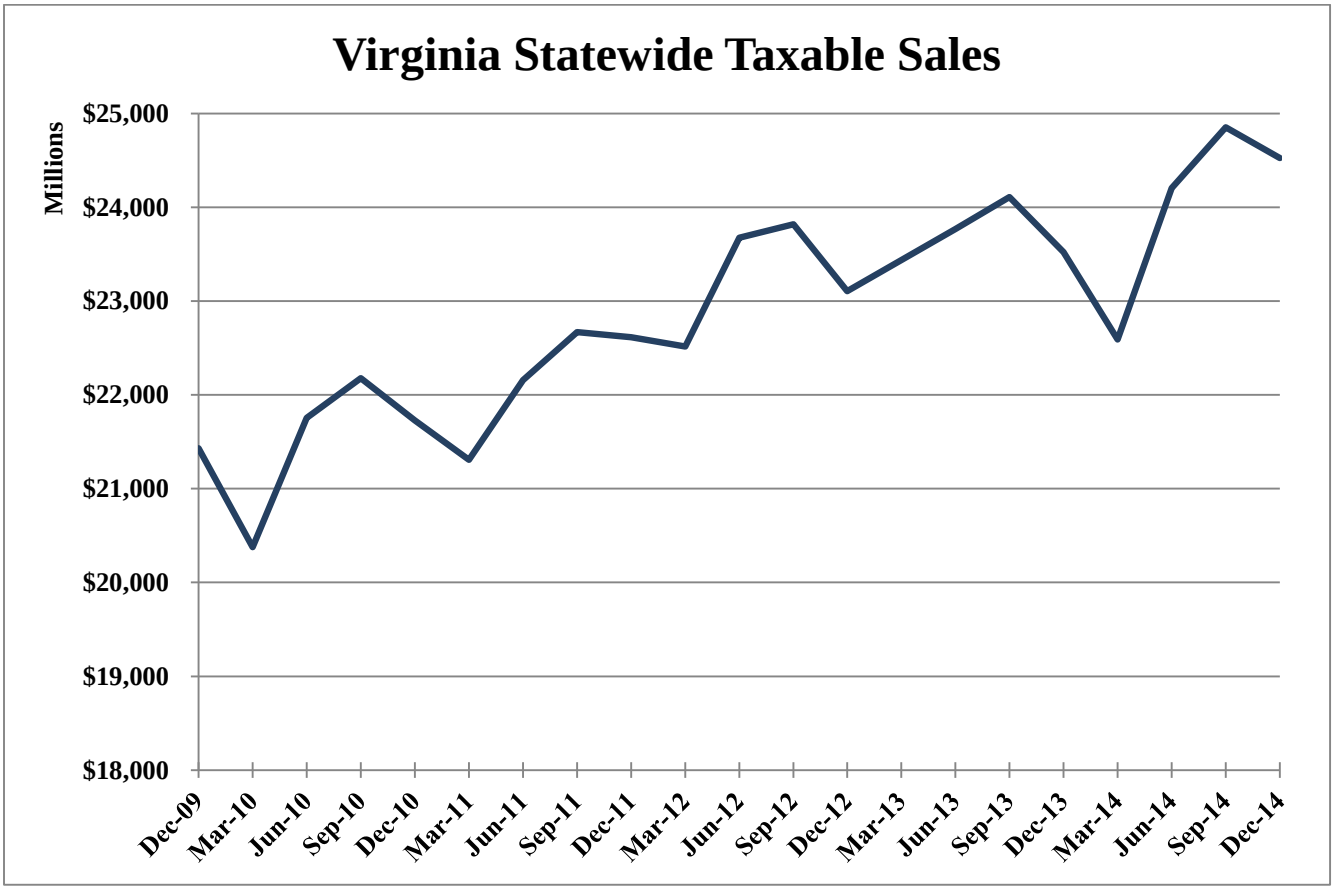
Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 total loans or have no data available.
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (September 2014)

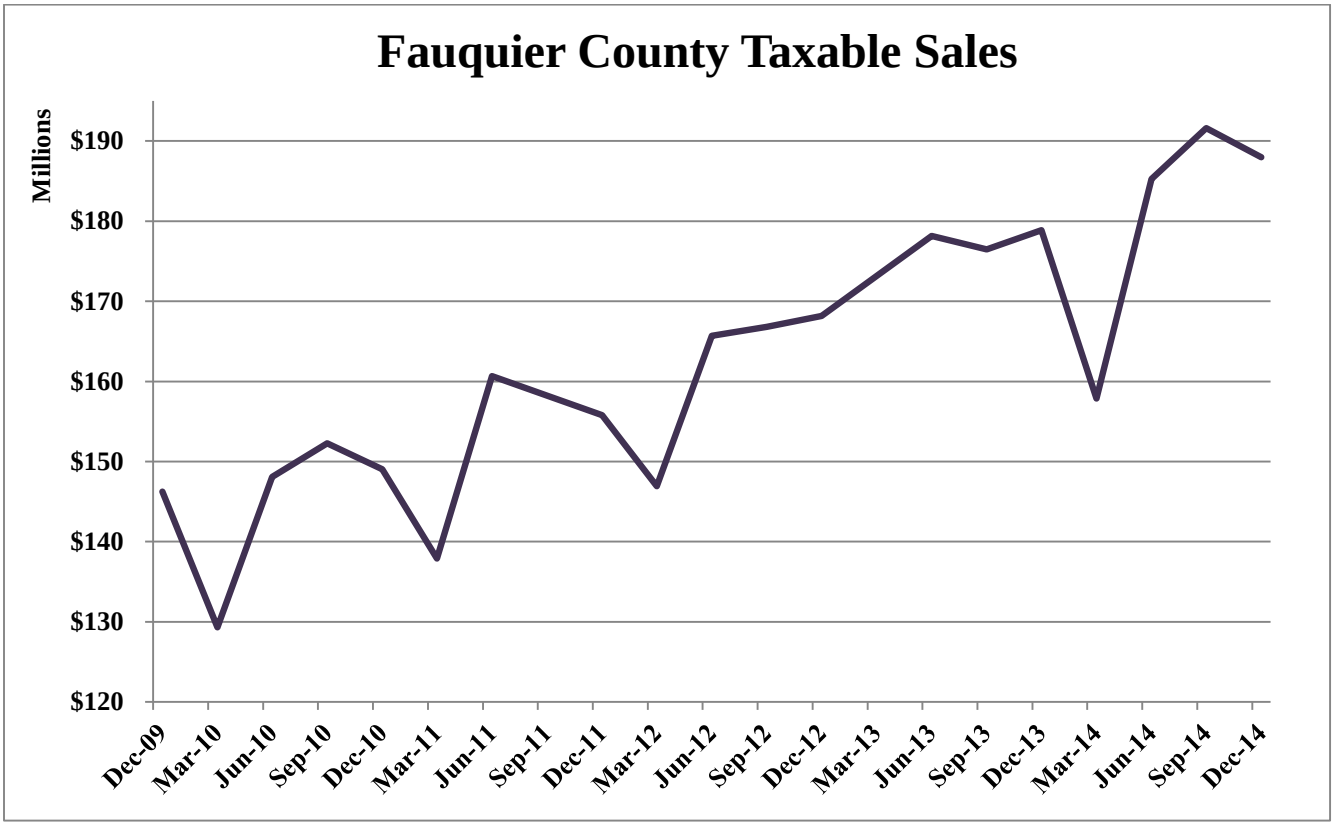
3. Taxable Sales

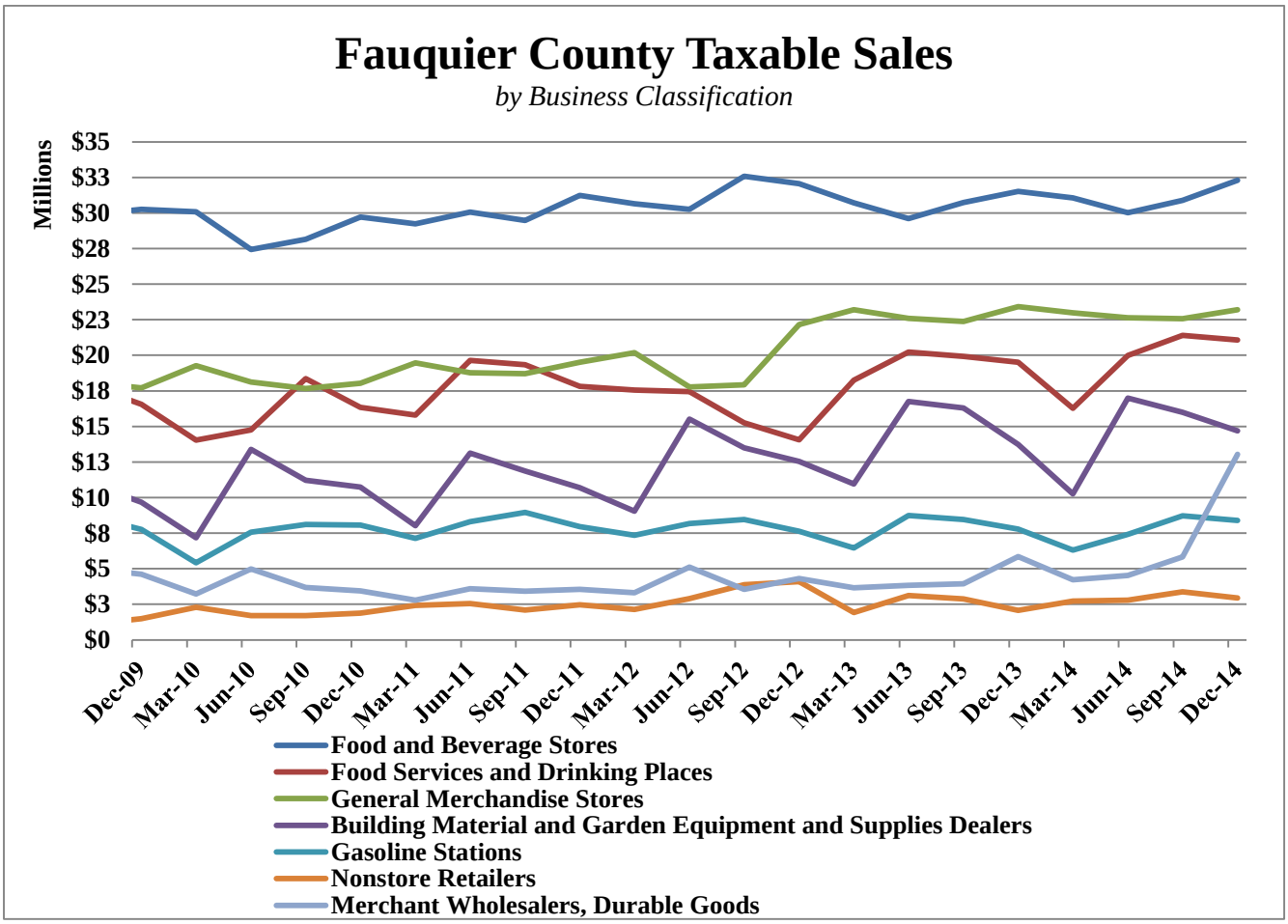
The following graphs provide data trends of taxable sales relative to the County, the State, and other local jurisdictions including:

- Virginia statewide taxable sales;
- Fauquier County taxable sales;
- Fauquier County total taxable sales for business classifications with sales in excess of $10 million at the beginning or end of the recession; and
- Fauquier County taxable sales in comparison to Prince William, Loudoun, and Culpeper Counties.

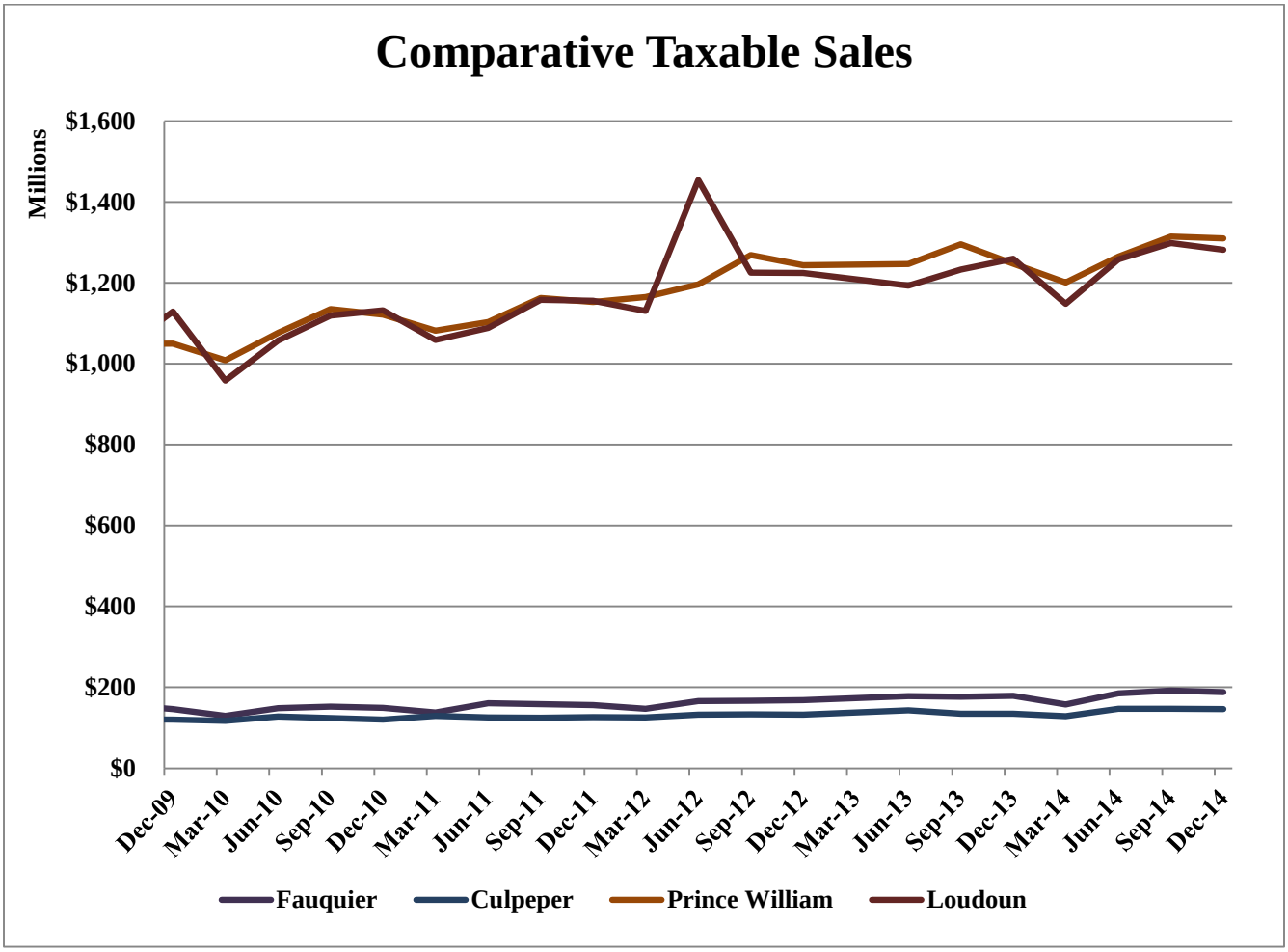
The County's taxable sales continued to improve in the first six months of FY 2015. While the County's value of taxable sales value is less than Prince William and Loudoun, the positive rate of change remains similar. Food and beverage stores sales have risen slightly, while sales in food and beverage places sales have remained stable. In addition, general merchandise stores continue to experience positive growth, while building and garden material supplies remains stable, with normal seasonal fluctuation. Merchant wholesalers-durable goods has begun to show the first signs of growth since the downturn. Overall, the County's taxable sales continue to experience positive growth.







Note: Categories displayed only represent those classifications that had $10 million or more in monthly sales prior to the recession. Source: Weldon Cooper Center for Public Service, UVA.



Source: Weldon Cooper Center for Public Service, UVA.